TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

(101-87)

HEARINGS

BEFORE THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

MARCH 29; JUNE 13, 1990, IN WASHINGTON, DC; JULY 16, 1990, IN ST. CLAIRSVILLE, OH; JULY 16, 1990, IN YOUNGSTOWN, OH; AUGUST 6, 1990, IN LAFAYETTE, IN; AUGUST 7, 1990, IN VICTORIA, TX; AUGUST 7, 1990, IN FORT WORTH, TX; AUGUST 8, 1990, IN ATLANTA, GA; AUGUST 8, 1990, IN CONYERS, GA; AUGUST 30, 1990, IN TULSA, OK; AUGUST 31, 1990, IN SPRINGFIELD, MO; SEPTEMBER 8, 1990, IN SPRINGDALE, AR; SEPTEMBER 17, 1990, IN MUNSTER, IN; OCTOBER 29, 1990, IN MATTESON, IL; DECEMBER 7, 1990, IN NASHVILLE, TN

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  Dostatni, Stanley J., city engineer, City of Hammond 2023
  McDermott, Hon. Thomas M., mayor, City of Hammond 2025
  Pastrick, Hon. Robert A., mayor, East Chicago, IL 2027

OCTOBER 29, 1990
(MATTESON, ILLINOIS)

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Becker, Ned P., Transportation Director, Naperville, IL 2033
Connor, Hon. Charles P., Mayor, Joliet, IL 2033
Divita, Leo, on behalf of John Variakojus, Director of Planning, Metropolitan Water Reclamation District of Greater Chicago, IL 2053
Edwards, George P., Intergovernmental Affairs Officer, Chicago Transit Authority 2057
Frazier, Sterling, Village Administrator on behalf of Hon. Gloria Bryant, Mayor, Ford Heights, IL 2033
Gross, Dietrich M., Chairman and President, Mercury Stainless Corporation, Wheeling, IL 2057
Jackson, Wayne, on behalf of Hon. David N. Johnson, Mayor, Harvey, IL 2067
Lindquist, Linda, Administrator, Village of Romeoville, IL 2033
McCluskey, Gordon, City Administrator, Lockport, IL 2033
Petrini, Vincent, on behalf of Laura Jibben, Executive Director, Regional Transportation Authority, City of Chicago, IL 2057
Sloan, Barbara F., Transportation Planner, South Suburban Mayors and Managers Association 2067
Stefaniak, Hon. Robert C., Mayor, Calumet City, IL 2067
Valy, Hon. Dennis, Mayor, Village of New Lennox, IL 2033
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SUMMARY OF SUBJECT MATTER
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HEARING ON INFRASTRUCTURE NEEDS
2167 RAYBURN HOUSE OFFICE BUILDING
THURSDAY, MARCH 29, 1990

The condition of our infrastructure is one of the most important issues facing the Nation, for the public works facilities of every county, city, community and neighborhood provide the basic support for all aspects of our economy---for growth of private productivity, for our ability to compete successfully in international markets, and for the present and future quality of life and standard of living of every one of us.

It is widely recognized that problems with our infrastructure are moving ever closer to a crisis stage, putting our Nation's future in jeopardy.

CAPITAL SPENDING

From 1960 to 1985, total public spending on infrastructure dropped from 3.6 percent of the gross national product to 2.6 percent. The relative share of public works spending at all levels of government declined from nearly 20 percent of total expenditures in 1950 to less than 7 percent in 1984. The Federal share of infrastructure spending has declined from 41 percent in 1981 to 34.5 percent in 1986.

State and local governments and special districts share responsibility with the Federal government for providing necessary public works facilities. But, the problems at the State and local levels are aggravated by conflicting demands for few available funds and compounded by reduced Federal funds, including abolishment of the general revenue sharing program, which returned $4 billion to local governments, and Federal government enactment of costly mandates and regulatory programs for states and localities to enforce while restricting the resources available to fund the programs. In addition, proceeds of the transportation trust funds are not being fully invested and substantial amounts remain in the two funds and changes in the tax laws have made it more difficult for States and localities to issue tax-exempt bonds for public works projects.

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NEEDS

If we do not change our current approach and increase capital spending, our American standard of living and quality of life will be seriously threatened.

Our population is expected to increase by 44 million people over the next thirty years and will add to the existing pressures on our overburdened public works facilities. Metropolitan areas account for three-fourths of the total population with more than forty percent of Americans living in the suburbs.

The decline in investment is having a tremendous impact on infrastructure systems and the economy:

Highways:

- From 1980 through 1988, traffic growth increased at an average rate of 5% annually.

- Urban traffic congestion has increased by 50 percent over the last 10 years. A worker delayed 20 minutes each day in rush hour traffic will waste two working years by the end of his or her career.

- In 1984, 1.4 billion gallons of gasoline was wasted due to congestion; by 2005, waste could soar to 7.3 billion gallons.

- Over 60 percent of the Nation's highways need work. Continuing current levels of highway funding will result in further deterioration of our highway system. It is estimated this will cost each household $1,000 annually in operating costs.

- Transportation costs represent about 15 to 30 percent of the landed price of agricultural exports.

Bridges:

- Inadequate bridges are one of the Nation's most pressing infrastructure problems. 41 percent of the Nation's 600,000 bridges are either structurally deficient or functionally obsolete.

Air Transportation:

- No new airports have been constructed in the U. S. since 1974.

- Revenue passenger miles flown has increased an average of 8.9% annually over the past 10 years, severely straining the Nation's air transport system. Air passenger growth is projected to double by the year 2000.

- In 1986, schedule delays on the Nation's airlines exceeded 2,000 hours per day---the equivalent of grounding 200 aircraft daily.

Clean and safe environment:

- Estimates reflect that some 10,835 wastewater treatment facilities (of a total 15,591) have documented water-quality or public health problems; that about 28 percent of randomly selected large municipal water systems had detectable levels of one or more volatile organic chemicals in the ground-water supplies; that 450,000 tons of solid waste are being generated every day, 95 percent of which are being disposed of in landfills reaching disposal capacity; and that approximately 30,000 potentially contaminated hazardous waste sites may pose a threat to human health or the environment.

HEARING AGENDA

Congressmen Gephardt and Gingrich will provide valuable testimony based on their experience and knowledge of the Nation's needs.

Major General Kelly of the Corps of Engineers is expected to 1) summarize and review key conclusions, findings and methodologies of the studies listed below (copies of executives summaries are attached) and 2) touch on other areas not addressed in Needs Studies.

- "Hard Choices", the National Infrastructure Advisory Committee's report to the Joint Economic Committee, February 1984;

- "America's Infrastructure: A Plan to Rebuild", The Associated General Contractors report of May 1983;

- "Public Works Infrastructure: Policy Considerations for the 80's", Congressional Budget Office report of April 1983;

- "Fragile Foundations: A Report on America's Public Works", final report of the National Council on Public Works Improvement, February 1988.

John Horsley, Chairman, Board of Commissioners of Kitsap County, Washington will represent the Rebuild America Coalition. It is a broad coalition of about 50 public and private organizations committed to the infrastructure challenge and the need to protect America's investment in the entire range of public facilities. It includes the mayors, city councilmen and other public leaders whose job is to maintain, inspect and plan for building and rebuilding our public facilities. They are supported by the engineers, builders, financiers, contractors and architects who are dedicated to the highest standards of quality, safety and cost effectiveness. Among other things, the Coalition prepares reports that address various elements of America's infrastructure problems and solutions to those problems.

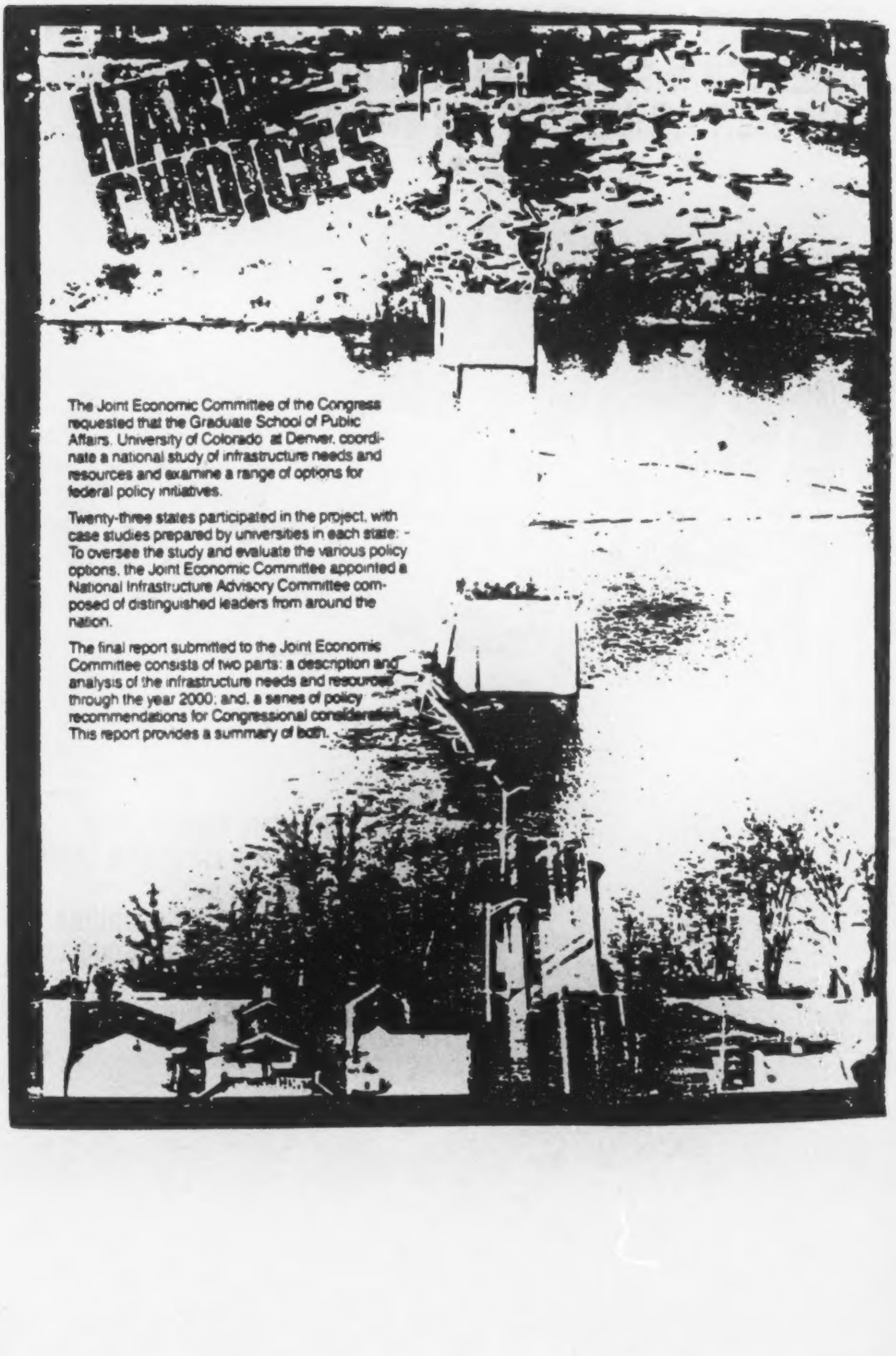
Mr. Horsley is expected to focus on infrastructure problems in the States and to provide a film presentation and graphics displaying pertinent data on infrastructure needs.

A REPORT ON THE INCREASING GAP BETWEEN AMERICA'S INFRASTRUCTURE NEEDS AND OUR ABILITY TO PAY FOR THEM

HARD CHOICES

A Summary Report of the
National Infrastructure Study
Prepared for the
Joint Economic Committee
of the United States Congress

February 1984



HARD CHOICES

The Joint Economic Committee of the Congress requested that the Graduate School of Public Affairs, University of Colorado at Denver, coordinate a national study of infrastructure needs and resources and examine a range of options for federal policy initiatives.

Twenty-three states participated in the project, with case studies prepared by universities in each state. To oversee the study and evaluate the various policy options, the Joint Economic Committee appointed a National Infrastructure Advisory Committee composed of distinguished leaders from around the nation.

The final report submitted to the Joint Economic Committee consists of two parts: a description and analysis of the infrastructure needs and resources through the year 2000; and, a series of policy recommendations for Congressional consideration. This report provides a summary of both.

NATIONAL INFRASTRUCTURE ADVISORY COMMITTEE TO THE JOINT ECONOMIC COMMITTEE OF CONGRESS

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Former Chairman, Joint Economic Committee
Chapman, Duff & Paul
Washington, D.C.

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Joint Economic Committee of Congress

Project Director **Deborah Matz**

The 1967 collapse of the Silver Bridge between West Virginia and Ohio was instrumental in the establishment of the federal bridge inspection program which, in turn, revealed a national problem of major proportions.

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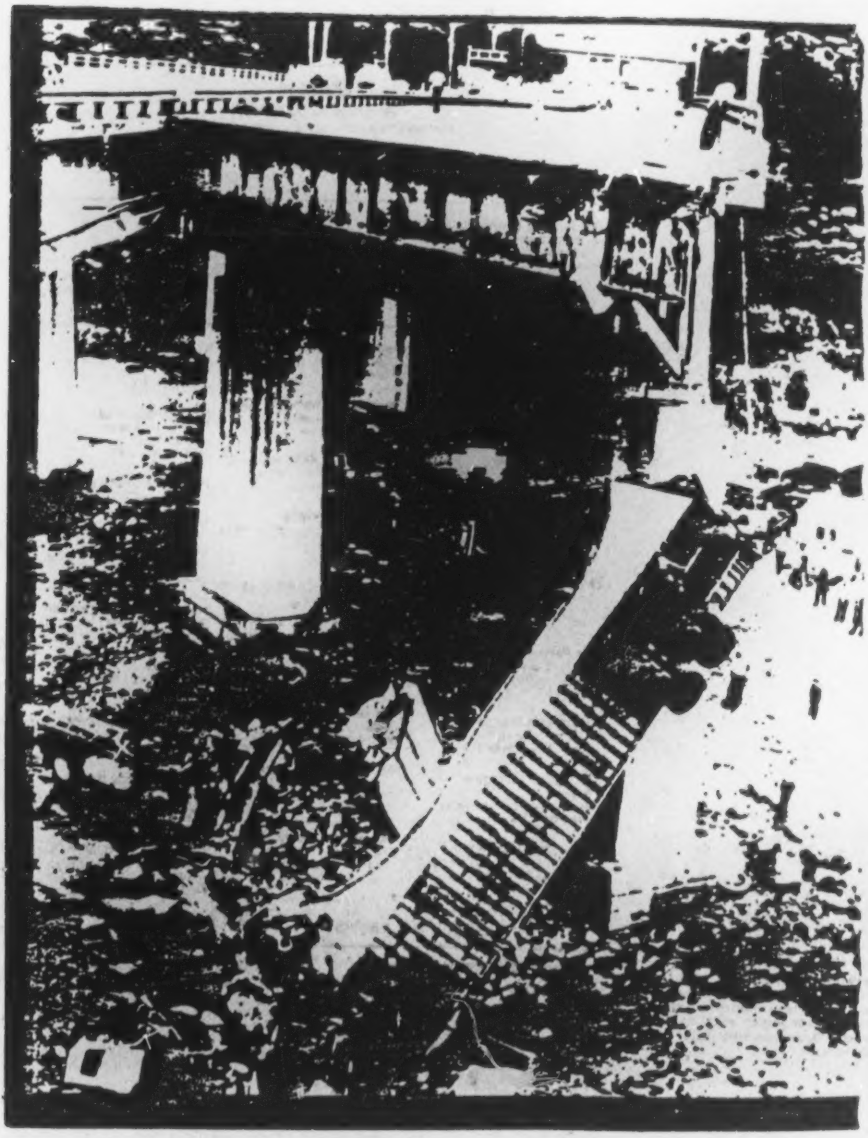


HARD CHOICES

The word "infrastructure" is a term that describes the basic network of facilities that drive our economy: our transportation, water and wastewater systems.

The word "infrastructure" is a term that describes the basic network of facilities that drive our economy: our transportation, water and wastewater systems.

As many frustrated public officials have observed, people generally don't care about the state of the nation's infrastructure.

Perhaps.

But people *do* care when a major highway caves in due to disrepair, paralyzing part of the transportation system of a major city.

People *do* care when a water storage system is so archaic and overtaxed that the slightest trauma causes it to collapse, leaving thousands without running water.

People *do* care, when for lack of adequate roads and water facilities, major industries move away from the community, leaving hundreds without jobs.

In an era of competition for limited public resources, it has become expedient for public officials to delay necessary capital improvements, to eliminate expenditures for maintenance, and allocate these funds to other, more immediate needs.

But, inexorably, hundred-year-old water lines are quietly deteriorating, bridges and roadways are approaching the end of their designed life, and changes in population patterns are placing enormous stress on systems in high-growth states.

When a system that all citizens rely upon and take for granted collapses, or is inadequate to meet future needs, the impact is far greater than an engineering problem in search of a solution. It creates a sense of public unease, a belief that society is incapable of handling its most basic needs. In this sense, people *do* care, very passionately, about the state of the nation's infrastructure. And in referenda this past fall across the country, people showed they cared by voting at the ballot box for a near record proportion of capital programs to develop and rebuild their life support systems.

Yet, the inability to adequately address the infrastructure needs of the nation constitutes a major problem that seriously threatens our economic and physical well-being.

But, inexorably, hundred-year-old water lines are quietly deteriorating, bridges and roadways are approaching the end of their designed life, and changes in population patterns are placing enormous stress on systems in high-growth states.

With virtually every level of government facing either major revenue shortfalls or significant unmet needs, the temptation to further postpone addressing this situation is great. It is time to measure the need, to understand that investment in our capital stock must be a priority to help keep our economy competitive and sustain our quality of life, to support the efforts of state and local governments to mobilize and finance infrastructure programs and to define what the role of the federal government in this national effort should be.

This report suggests that some hard choices have to be made, today, about meeting our nation's infrastructure needs of the future. There's a bill coming due. We should start to pay now, or we'll have to pay a lot more later.

A MANAGEABLE CRISIS

That a substantial portion of the nation's basic, publicly-financed infrastructure systems is inadequate is no longer a matter of debate.

Some observers, defining the problem at its most extreme, place the costs of restoring and expanding the current network of systems as high as three trillion dollars ($3,000,000,000,000), a figure so enormous as to make the entire problem seem absurd.

The assumption behind the recommendations in this study is that *the nation which built the greatest network of roads and waterworks in the world has not suddenly become incapable of maintaining and improving such a system.*

By setting priorities, by defining the problem in realistic terms, by utilizing the resources of federal, state and local governments, and by invoking the historic partnership between public and private sectors that helped build this great system, an approach to dealing with the revitalization of our infrastructure can be developed that is neither prohibitively expensive nor unmanageable.

This report has made no attempt to minimize the scope of the problem. *But it has also not minimized the creativity and resources available to develop a long-range, workable solution.*

The bottom line is that the problem is solvable, that the solutions are manageable, and that the time to start is now.

THE SCOPE OF THE PROBLEM

This report, two years in the making, is not the first to address the nation's infrastructure needs. It breaks new ground, however, because of its focus on state and regional needs and because of its effort to aggregate these needs into national totals through the year 2000. The report clearly demonstrates that infrastructure problems are common to *all* regions of the country.

The bottom line is that the problem is solvable, that the solutions are manageable, and that the time to start is now.

To obtain this state and regional viewpoint, twenty-three states were studied to determine their current levels of needs and expenditures in four key areas: wastewater collection and treatment, water supply and delivery, roads and bridges, and other transportation facilities (mass transit, airports, etc).

Additionally, the states were surveyed concerning their future needs, up till the year 2000, and their projected capital sources.

The results of this survey pointed to several noteworthy conclusions:

1. The problem is *national in scope*. It is not limited to any region or state.
2. The problem is *manageable*.
3. The problem requires *state and local governments to continue to assume primary management and funding responsibilities*.
4. The problem requires a *long-term response and commitment by the federal government*.

A NATIONAL PROBLEM

The total national infrastructure gap between revenues and needs through the year 2000 is over $400 billion. It stems from many different kinds of problems in the various states and regions. For example:

- In Oklahoma, water from the Ogallala Aquifer is being consumed for agricultural use faster than nature can replenish it.
- In Maine, 63 per cent of the highways are determined to be in need of immediate improvements.
- In Alabama, 53 per cent of the county maintained bridges are structurally deficient or functionally obsolete.
- In Oregon, only 14 per cent of the population is served by facilities providing secondary wastewater treatment.

In state after state, the immediate and projected infrastructure needs are considerable, and the gap between capital expenditures and capital needs is growing.

Clearly, we are witnessing a problem that is national in scope.

But within each region, and even within each state, the needs and the scope of the problem differ significantly.

In many of the older industrial areas of the nation, deterioration and obsolesence of existing systems threaten the opportunity for long-term economic revitalization.

For the rapidly-growing areas, the infrastructure gap stems from the demands placed by an ever-growing population.

But while the problems may differ, the gap between needs and financial resources in all areas of the country is substantial.

In state after state, the immediate and projected infrastructure needs are considerable, and the gap between capital expenditures and capital needs is growing.

PROJECTED U.S. INFRASTRUCTURE NEEDS, RESOURCES AND SHORTFALLS 1983-2000

(in billions of 1982 dollars)

	NEEDS	RESOURCES	SHORTFALLS
HIGHWAYS AND BRIDGES	$ 720	$455	$265
OTHER TRANSPORTATION	178	90	88
WATER SUPPLY AND DISTRIBUTION	96	55	41
WASTEWATER COLLECTION AND TREATMENT	163	114	49
TOTALS	$1,157	$714	$443

Transportation

Of the nation's 565.000 vehicular crossings, some 45%, are deficient or obsolete.

The single most dominant need across the country is for investment in highways and bridges. The construction of much of the nations highway network over the last several decades has been funded largely by the federal government. However, much of the nation's highway mileage is not on the federal-aid highway system and responsibility for reconstruction and maintenance of the entire network has largely been shouldered by state and local governments. This total highway network is aging. The needs facing state and local governments are growing, as evidenced by the fact that more than one half of the nation's two million miles of paved roads require immediate attention and over one third of the Interstate highway system is in need of repair.

While the nation's highways show substantial need, bridges pose an especially serious problem. Of the nation's 565.000 vehicular crossings, some 45% are either deficient or obsolete. These problem bridges exist throughout the country. The Federal Highway Administration estimates that in 34 states at least one third of the bridges require substantial renewal.

As a result, the projected highway and bridge needs through the year 2000 approach $720 billion. Even though federal and state gas tax levies have been increased in recent years, the projected shortfall is estimated at $265 billion.

On a regional basis, the greatest highway needs are projected for the Midwest. But the needs in all regions are substantial.

An increasing number of communities around the nation are looking to existing or planned public transportation facilities to move high volumes of people to growing business areas, both as a way to reduce highway congestion and to support economic development efforts. Costs here are also high and resources scarce.

...communities around the nation are looking to ...public transportation ...as a way to reduce highway congestion and to support economic development efforts.

Water Supply and Distribution Systems

Developing reliable expenditure figures for water storage, treatment and distribution is complicated by the variety of entities providing these services. In New Jersey, for example, a large share of the responsibility for water delivery is assigned to private water companies. Washington State has over 8000 separate water systems, while Massachusetts has 363 separate water supply systems, of which 68 are private companies, 78 are fire and water districts, and 217 are municipal water departments.

Regardless of the type of organization relied upon, certain common problems were identified:

- Deterioration of water supply and distribution systems
- Inadequate sources of water supply
- Overdrafting of underground aquifers
- Contamination of water supply
- Inadequate treatment facilities.

Overall, water needs are projected to be nearly $100 billion through the year 2000, suggesting a shortfall in available capital of more than $40 billion.

On a regional basis, increasing water supply is the predominant concern of the South-Central and Western regions, while the Northeast and Midwest need to protect their supplies and rebuild aging distribution systems.

Wastewater Collection and Treatment

Since the passage of the Federal Water Pollution Control Act of 1972, the Environmental Protection Agency has been actively involved in assessing sewerage collection and treatment needs.

EPA's assessment process categorizes both backlogged needs (cost required to deal with existing pollution problems) and year 2000 needs (based on future population growth). Many states rely on EPA-derived figures to determine their sewerage treatment needs. Several states, however, believe that the EPA evaluation method may understate the dimension of the problem since all categories of need are not necessarily included.

Based on the figures reported by the states, the overall national need by year 2000 is projected at nearly $165 billion, and the anticipated shortfall in the neighborhood of $50 billion.

The greatest needs to accommodate today's population are in the Northeast and Midwest regions, but the population growth in the West and Sunbelt states is increasing the pressure to expand capacity in those areas.

Upper photo: Overdrafting of ground aquifers can result in the calamity of subsidence.

Lower photo: Inadequate sewage and stormwater collection systems often cause backups and destructive flooding conditions.

THE STATES' DILEMMA

While all the states surveyed projected substantial revenue shortfalls meet their specific infrastructure problems. their abilities to cope with th challenges differ significantly.

At the most basic level. many states are only beginning to devise a coher comprehensive approach to identifying their capital needs and developi plan to meet these demands.

Capital planning is further complicated by restrictive laws and regulati governing each state as well as by constraints imposed by the fede government.

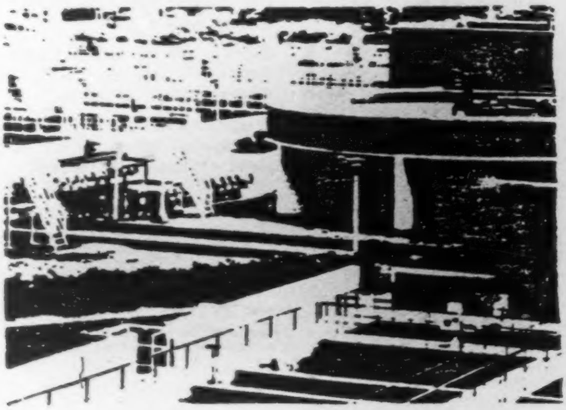
Some examples:

- Many states have statutory or constitutional debt and tax limitations t constrain funding available for long-term projects.
- Ambiguity about the federal government's role in infrastructure dev opment impedes efficient infrastructure planning and developm strategies.
- Uncertainty about proposed modification of tax-exempt bond mech nisms makes it difficult to develop cost-effective financing strategies capital construction.

One important problem is the varying capacity of states to cope with th infrastructure problems due to the health of their local economies. T creates a Catch-22 effect. Many state and local governments that cou benefit most from economic development opportunities by building mo efficient transportation, water and wastewater systems lack the fiscal capa ity to initiate these projects on their own.

To solve this dilemma, it will take the collective effort of all levels of gove ment and the private sector to put in place the necessary planning a financing mechanisms.

Many state and local governments that could benefit most from economic development opportunities by building more efficient transportation, water and wastewater systems lack the fiscal capacity to initiate these projects on their own.



THE FEDERAL RESPONSE

BRIDGE
CLOSED

State and local governments should, and undoubtedly will, continue to have the primary role in infrastructure management, financing and development. But it must be recognized that the federal government, by setting construction standards, by co-financing projects, by setting tax policy, and by defining needs, to a large extent influences the options available to the states.

And from the states' perspective, the federal government's policies toward infrastructure development are a source of considerable uncertainty and confusion.

With these considerations in mind, the Advisory Committee proposes that Congress address the question of federal infrastructure policy using the following guidelines:

1. Federal policy should recognize the inter-relationship between infrastructure development and the attainment of national economic goals.

In other words, federal assistance is appropriate when state and local governments by themselves have insufficient capital capacity to finance infrastructure projects that are essential to fulfilling national goals concerning economic competitiveness, productivity and basic quality of life.

2. Federal policy should recognize the implications of federally-initiated mandates for state and local governments.

The federal government sets standards in areas like clean water and interstate highway maintenance. Fairness suggests that the federal government continue to play a role in providing financial assistance in areas where the states must shoulder additional expenses to meet uniform national standards.

...federal assistance is appropriate when state and local governments by themselves have insufficient capital capacity to finance infrastructure projects that are essential to fulfilling national goals...

3. Federal policy should recognize that infrastructure problems are not confined to state boundaries.

Water pollution and traffic congestion do not respect state lines. Quite often, infrastructure problems are regional in scope and require regional solutions. Developing regional solutions is an appropriate area for federal involvement.

The Need for a Policy

Though Congress is cognizant of the infrastructure problem and has moved in several functional areas to respond, a clearly articulated, long-term federal policy on this issue would provide an improved climate for state and local infrastructure planning and investment.

The following recommendations, drawn from this study, are intended to help Congress deal with this vital issue.

XXXII

Recognizing the growing interest in Congress to address these critical national problems, and at the same time recognizing the need to live within our fiscal realities, the National Infrastructure Advisory Committee is urging Congress to consider four basic recommendations for modifying the current federal approach to infrastructure development. These recommendations are designed to expand the resources available for infrastructure and to improve our ability to manage capital programs at all levels of government.

■ **RECOMMENDATION I:** Congress should establish a "National Infrastructure Fund" to supplement resources available under existing federal, state and local infrastructure capital programs.

■ **RECOMMENDATION II:** Congress should mandate the creation of a coordinated national infrastructure needs assessment program and, within the unified budget, require that capital expenditures be presented and highlighted in a clear, comprehensive way.

■ **RECOMMENDATION III:** Congress should initiate a review of technical standards now governing construction of the nation's roads, bridges, transit systems, water and wastewater facilities.

■ **RECOMMENDATION IV:** Congress should carefully re-evaluate the statutory and administrative rules that govern the use of existing federal infrastructure assistance programs.

Implementation of these four recommendations would pave the way for an effective partnership between the federal government and state and local governments to meet the infrastructure challenge and enhance the competitiveness of the national economy between now and the year 2000.

National Infrastructure Fund capital resources could be used to help rehabilitate existing infrastructure

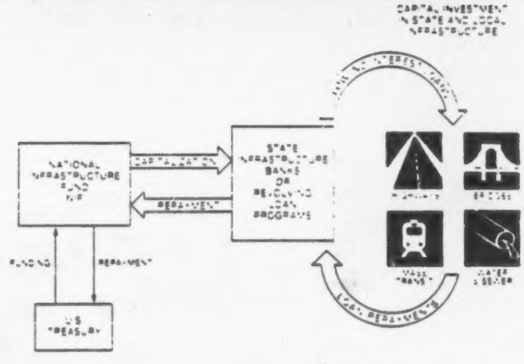
RECOMMENDATION I: CREATING NEEDED CAPITALIZATION MECHANISM

The infrastructure capital needs identified by the National Infrastructure Study are significantly larger than the resources expected to be available. Therefore, any realistic approach to meeting these needs will invariably require an increased level of commitment from all levels of government. Within that context, the Advisory Committee examined a number of different approaches for increasing the level of federal financial support. They ranged from simply increasing the level of current grant programs to encouraging innovative public private mechanisms to establishing new funding partnerships with state and local governments. (Some of these approaches have already been presented to Congress in previous sessions and deserve further consideration.) The approach most favored by the Advisory Committee calls for the creation of a new National Infrastructure Fund.

National Infrastructure Fund (NIF)

The use of tax-exempt bonds and pay-as-you-go financing are the traditional methods by which state and local governments fund capital construction programs. These financing methods, however, are not adequate to meet current infrastructure needs, not to mention the challenge of the future projected needs described in this report. Increasingly, state and local government capital budgets are strained by competing demands, high real interest rates, statutory and constitu-

NATIONAL INFRASTRUCTURE FUND


CAPITAL INVESTMENT IN STATE AND LOCAL INFRASTRUCTURE
LOW OR NO INTEREST LOANS
NATIONAL INFRASTRUCTURE FUND NIF
CAPITALIZATION
REPAYMENT
STATE INFRASTRUCTURE BANKS OR REVOLVING LOAN PROGRAMS
HIGHWAYS
BRIDGES
MASS TRANSIT
WATER & SEWER
FUNDING
REPAYMENT
U.S. TREASURY
LOAN REPAYMENTS

tional debt limitations and, in some instances, the realities of fiscal capacity. New ways of raising capital funds have to be found.

A new federally-chartered National Infrastructure Fund would raise money by selling taxable bonds directly in the private market or through the Federal Financing Bank. It would leave undisturbed the financial resources of the tax-exempt capital market. Congress would determine NIF's ultimate size and scope.

The revenue created would be used to capitalize state infrastructure financing institutions, such as state infrastructure banks. These entities would then provide funds to support state and local infrastructure programs.

If Congress provided for the payment of interest on the NIF debt, then NIF could provide the states with interest-free capital. States could then finance, on a revolving fund basis, specific infrastructure projects chosen by state and local officials from among eligible infrastructure categories, e.g., roads, bridges, mass transit, water and sewer. The actual assistance could be accomplished in a variety of ways, using a range of interest rates or other financing mechanisms.

The capital provided by NIF ultimately would be repaid by state and local governments from taxes or user fees. But until the bonds issued by NIF came due for repayment, state and local government units could recycle NIF capital to fund additional projects.

Because state and local governments would ultimately provide the funds to repay the NIF debt, the primary cost to the federal government would be the payment of the interest expense. And as this debt would not be tax-exempt, the federal treasury would not be deprived of taxes on the interest paid.

This approach would permit a large program of infrastructure projects to be financed within the constraints of the federal budget. It would provide the nationwide infrastructure effort with a sustained, predictable multi-year level of federal financing.

or NIF could finance new infrastructure for rapidly growing areas

RECOMMENDATION II: BUILDING AN ASSESSMENT AND CAPITAL BUDGETING CAPACITY AT THE FEDERAL LEVEL

Clogging of pipes and spalling of bridge support piers are two forms of infrastructure deterioration that go unnoticed by most

A major obstacle to developing a coherent approach to solving the infrastructure problem is that no one has known, with any degree of accuracy, the magnitude and nature of the needs nor the extent of the resources devoted to capital development programs. No forum currently exists for examining and debating, in a comprehensive way, how the federal government should support capital construction efforts and how the need for capital infrastructure investment should weigh against other claims on the public fisc.

For example, current budgeting practices hide direct and indirect federal infrastructure contributions, blur federal infrastructure objectives, and make it difficult, if not impossible, to assess the full impact of federal actions in this area. The extremely fragmented information base at all levels of government further compounds this situation.

As one would expect, these circumstances inhibit implementation of coordinated and efficient management and investment strategies at the federal level. They also make it difficult for state and local governments to mesh their short and long range plans with federal infrastructure actions.

How can we develop improved federal capacity? The Advisory Committee recommends the creation of a national infrastructure inventory and assessment process and the preparation of an annual analysis of federal capital expenditures.

Assessing Needs

The findings of this study on state and regional needs are considered threshold estimates, a base on which to build a continuing and more refined national assessment process.

The type and quality of available data gathered during this study varied considerably as did state-by-state definitions of needs and resources.

To establish a truly consistent measure of needs on a national scale, common definitions and consistent methodologies will be needed. Congress should foster development of a national assessment process that can accurately and continuously monitor changing needs and changing circumstances.

Within the context of basic national criteria, state-by-state information should be collected on a regular and systematic basis and provided to the Congress in the form of an annual infrastructure audit.

Federal Budget Capital Expenditure Analysis

No easy, clear way now exists to measure the full extent of federal commitment to infrastructure investment. The federal government, through a variety of investment strategies, provides considerable support for infrastructure development. But it is impossible to determine which approaches are most effective. The Advisory Committee urges Congress to assure that capital expenditures are separated from current operation outlays within the unified federal budget. Congress can then debate and set capital priorities clearly and deliberately.

This would be the first step in a process of analyzing federal infrastructure expenditures within the context of the overall capital policy objectives established by Congress.

This is not a new concept, but it has yet to be implemented. Failure to put the federal budget in a more rational, understandable order will limit the ability of state and local governments to define and move forward with their own infrastructure strategies.

Undermining of roadways can occur without warning and lead to major disruptions.

RECOMMENDATION III: RE-EVALUATING STANDARDS

In order to participate in most federal-aid programs for capital infrastructure development, states and localities must comply with stringent federally-mandated technical construction standards. In many cases, they stretch out construction schedules and add to costs.

Perhaps this is appropriate when the "Feds pick up the bill." But in some situations these standards appear unreasonable and unrelated to local needs. Unquestionably, they have an impact on the overall cost of a given construction project.

The historical development of these federal infrastructure standards, while in the health and safety interests of the nation, has been determined more by interested professional groups than by consumers.

Concern for public safety, quite properly, has to be a principal justification for these mandated standards. But weight should be given to other considerations such as the economic, social and environmental costs.

The Advisory Committee urges Congress to initiate a comprehensive study of federal standards governing development of basic infrastructure programs, using a prestigious and neutral body such as the National Academy of Sciences.

Concern for public safety ... has to be a principal justification for these mandated standards.

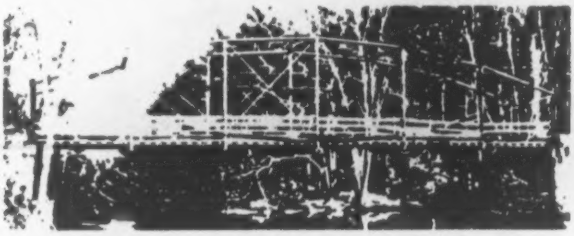
The study would measure the relevance of current mandated standards in light of changing social values and real resource constraints.

The study should:

- inventory federal standards in key infrastructure categories;
- analyze the relationship of these standards to those employed by state and local governments;
- evaluate the impact these standards have on the costs of infrastructure projects; and
- analyze the opportunity costs as well as the health, safety and environmental risks associated with reducing or changing standards.

But weight should be given to other considerations such as the economic, social and environmental costs.

The bill for infrastructure development is high enough without having to pay for facilities which are designed to standards which may no longer be appropriate. This undertaking might help reduce the gap between state and local needs and anticipated revenues.



RECOMMENDATION IV: DEVELOPING MORE FLEXIBLE GRANT PROGRAMS

In the course of developing these recommendations, the members of the Advisory Committee listened to the concerns of many governors and mayors. A common theme was the need for a review of the guidelines and laws governing existing federal grant programs.

Clearly, many would prefer maximum flexibility with respect to the use of federal funds. Some of the concerns expressed included:

–"We should not be limited to historically defined infrastructure categories...we should be able to use the total provided in a manner responsive to our needs and priorities and not Washington's."

–"We cannot use some grant programs easily as loans. We cannot allocate funds in some programs to readily leverage private sector monies...We are pressured to use or lose funds."

–"While we have more flexibility than in the past...federal infrastructure programs...still favor construction over maintenance activities."

Faced with these expressions of frustration and concern, an important strategy for Congress to consider would be a re-examination of the statutory and regulatory constraints inhibiting efficient state and local government use of existing infrastructure assistance programs. This could help to move projects faster and thus lower overall costs.

In an era of scarce resources at all levels of government, easing the restrictions on the use of these funds, within general statutory guidelines, could free up existing funds and increasingly allow them to be used to address state and local priorities.

The Advisory Committee has endorsed the general principle that state and local governments should be permitted greater latitude with respect to the use of existing grant funds.

...federal infrastructure programs...still favor construction over maintenance activities.

"Safe-harbor" leasing of transit vehicles provided substantial and sorely needed benefits to many public transportation operators

SOME THOUGHTS ABOUT TAX REFORM

State and local governments rely principally on funds raised through the tax-exempt market to finance capital infrastructure investments, using general obligation bonds, revenue bonds and industrial development bonds (IDBs). In recent years, Congress has become increasingly concerned about the growing use of IDBs for what may be considered private purposes. Legislation is currently under consideration that not only would severely restrict the use of IDBs for all purposes but would place arbitrary "cap" limitations on tax-exempt issues.

The Advisory Committee believes that it is desirable to limit the use of tax-exempt bonds to truly legitimate public purposes. In this context, however, no arbitrary restrictions should be placed on the scope, dollar value or character of tax-exempt issues that clearly respond to public policy concerns, particularly those related to the provision of basic infrastructure.

STATE AND LOCAL CONSIDERATIONS

The dominant focus of this report has been on changes to federal infrastructure policy.

But this report would be less than complete if it did not acknowledge some of the areas where state and local governments could improve the way they approach infrastructure investment.

Many of the states are suffering from unrealistic and overly-constrained attempts to manage budget issues through the use of across-the-board tax or budget limitations. If the states are going to meet their long-term infrastructure needs, they are going to have to develop appropriate long-term financing strategies, and not expect to solve infrastructure problems with year-by-year, "quick fix" remedies.

Similarly, if the states are going to fulfill their side of the federal-state partnership, they are going to have to augment their capacity to inventory and analyze their own infrastructure needs, and to define and carry out coordinated and innovative capital investment and maintenance programs.

The bottom line is that the infrastructure needs of the nation through the year 2000 are enormous. Local, state and federal governments owe it to the public to address the problem as realistically and efficiently as possible. The stakes are too high to allow any less.

Those living downstream from aging dams face potential disaster

Local, state and federal governments owe it to the public to address the problems as realistically and efficiently as possible. The stakes are too high to allow any less.

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America's Infrastructure: A Plan to Rebuild

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MAY 1983

Executive Summary

The Infrastructure Crisis: An AGC Update

Since 1965, the percentage of the Gross National Product (GNP) devoted to spending by all levels of government on public works has dropped from 4.1 percent to 2.3 percent—a 44 percent decline. Despite the growth in total government expenditures, spending on public construction has failed to keep pace with inflation in almost every year since 1968. The chief cause of this decline is deferred replacement of aging structures, which is resulting in substantial deterioration of this nation's infrastructure. Some of the symptoms are poorly maintained roads, closed bridges, polluted waterways, leaking water supply lines, unsafe dams, and obsolete and energy-wasting buildings.

For the last 20 years or so, capital spending on public works—at all levels of government—has been competing with social service spending—and losing. Our nation can no longer afford to lose.

The problem has become a crisis because economic renewal depends on an adequate infrastructure. When a community wastewater treatment system is operating at 80 percent of capacity, for example, it cannot add industrial load. A Department of Commerce survey reports that 50 percent of these systems nationwide are operating at 80 percent of capacity or higher. This means 50 percent of the nation's communities are in a no-growth status.

No inventory exists of public works in the United States, which prevents a firm assessment of the extent of infrastructure deterioration and a firm assessment of needed investment to meet infrastructure needs.

AGC, however, has surveyed existing literature and studies on infrastructure needs and contacted over 100 organizations, states and cities in an effort to develop a documented estimate of necessary investment to meet *presently identified* infrastructure needs. The AGC research reveals a *minimum* necessary capital investment of approximately $3.03 trillion. While the time frame for addressing such needs varies in the individual infrastructure categories, a weighted average indicates that most investment is projected to be necessary within the next 19 years.

The $3.03 trillion must be viewed as a minimum figure. There are a number of significant infrastructure categories for which no needs information exists, and can't be included in the $3.03 trillion estimate. Such omissions include: rural potable water needs; parks; certain health care facilities; levees, dikes and revetments; libraries; firehouses; federal, state and local office buildings; among many others. Complete information on all such infrastructure needs would significantly increase the presently identified $3.03 trillion estimate.

Public works investments at all levels of government generally account for approximately 24 percent of all new construction put in place, or approximately $56 billion based on the 1982 value of construction put in place. Continuation of such public works investment levels would produce, over the next 19 years (in 1982 dollars), a total investment of $1.06 trillion compared to the minimum necessary investment level of $3.03 trillion—a total shortfall of approximately $1.97 trillion and an annual shortfall of $104 billion in 1982 dollars.

These necessary investment figures compare favorably to GNP allocations of other countries. An annual public works investment of $160 billion when added to existing annual private construction investment of approximately $179 billion would produce a total annual construction investment of $339 billion, raising construction investment as a percent of GNP from its current 7 percent level to approximately 10 percent. In Canada, construction investment as a percent of GNP is 16 percent, in Sweden its 16 percent, and in Japan, 20 percent.

While construction creates buildings, roads, dams, sewer lines and all that goes with them, it also creates jobs, material purchases, salaries, tax revenue and more. Based upon data generated by the Department of Commerce's Bureau of Labor Statistics (BLS), the Department of Transportation and the Council of State Planning Agencies, each "on-site" construction job generates an equal number of "off-site" jobs and induces nearly three times that number by corporate expenditures and the spending and respending of wages. For example, $1 billion spent on Federal-aid highway construction produces 13,000 on-site jobs, 13,200 off-site jobs and 36,700 induced jobs for a total of 63,000 jobs. Infrastructure investments will not only reduce unemployment, but subsequently reduce unemployment benefits, increase payments into the Social Security funds, and increase federal income tax collections thus reducing the net cost of the investments.

A review of the attached study reveals the diversity and complexity of funding needs. It also reveals that no single answer, no single investment strategy, no single funding mechanism will suffice. Each level of funding authority and responsibility has a role to play in devising a program to increase public capital investment.

Currently popular proposals for addressing the infrastructure crisis include: capital budgeting, state infrastructure banks, public works inventories, National infrastructure commissions, accelerated construction programs, National Public Works Banks for self-financing public facilities, and proposals for giving state and local governments the option of issuing taxable bonds. These proposals should not be competing on the basis of which provides the best overall solution. *Any and all cost effective proposals which can guarantee a net increase in public works investments should be implemented.* Only through a *variety* of mechanisms, at all levels of government, can progress be made. *The unalterable fact is that public works investments must be dramatically increased at all levels of government.*

AGC makes the following general recommendations regarding infrastructure funding:

1. Where a federal presence in infrastructure funding (both direct and federally-assisted) is justified, such federal funding must be adequate.

2. All levels of government must realign funding priorities. The infrastructure crisis is of such magnitude and so integral to economic revival, growth, and employment that it must take precedence over social spending.

3. The key element in infrastructure funding must be dedicated, long-term funding mechanisms for all infrastructure categories. The funding must be dedicated to avoid shifting capital investment spending, as occurred during the past 20 years. The funding must be long-term to provide stability in the infrastructure effort.

4. To maximize efficiency and economy in the expenditure of infrastructure funding and to provide productive private sector employment, infrastructure construction must be accomplished by the private sector through the single contract method and open competitive bidding.

5. User fee funding mechanisms and enterprise authorities should be used to the maximum extent.*

6. Capital budgeting should be implemented by all levels of government to assure increased infrastructure investment.

7. State Infrastructure Banks should be established with initial capitalization from both the federal government and the states, *provided* the creation of the banks will result in a net increase in infrastructure investment.

Summary of Total Identified Needs

Presently Identified Need	Cost (current dollars)
Potable Water (Urban)	138.6 billion
Wastewater Treatment	507.8
Drainage. Minor Flood Control	169.4
Housing (multi-family and low-income)	112.0
Hospitals	130.0
Educational Facilities	49.0
Prisons	7.0
Post Offices	3.0
Locks	15.0
Ports	3.7
Waterways	32.5
Dams Reservoirs	83.5
Railroads	60.1
Mass Transit	37.2
Highways	1570.3
Airports	60.3
Bridges	51.7
	$ 3.03 trillion

• An authority may be created to issue its own bonds, build projects and lease them to municipalities: make loans and grants to municipalities: and buy municipal bonds. A state legislature may also empower a number of local governments to band together into a quasi-governmental authority empowered to issue its own debt instruments. Such authorities generally license the authority to finance and construct a facility and operate it with user charges as a self-financing business.

A CBO STUDY

Public Works Infrastructure: Policy Considerations for the 1980s

April 19

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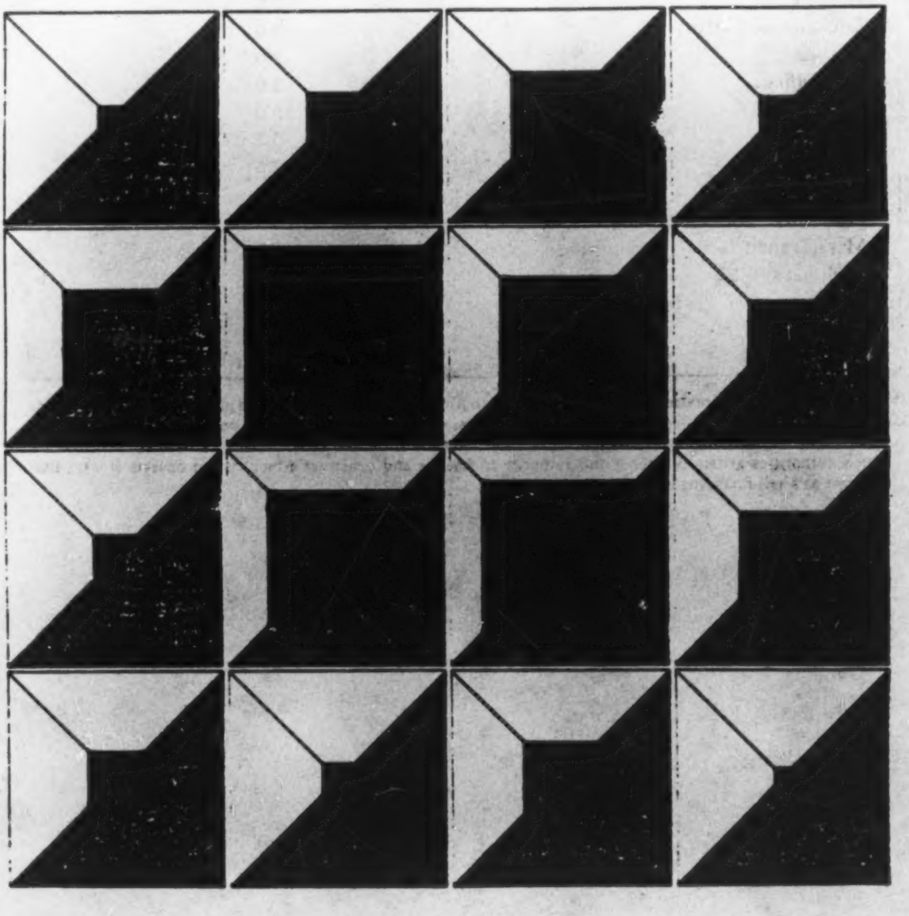

CHAPTER I. CONSIDERING PUBLIC WORKS INVESTMENT --FRAMEWORK AND OVERVIEW

The nation's public works infrastructure--defined here as including highways, public transit systems, wastewater treatment works, water resources, air traffic control, airports, and municipal water supply--is suffering from growing problems of deterioration, technological obsolescence, and insufficient capacity to serve future growth.[1] The nature, extent, and severity of these problems vary widely among the systems considered. But attention on them has converged at a time when tight budgetary constraints are forcing the federal government, the states, and the localities to review spending priorities and to make difficult decisions about what they can and cannot undertake.

At the federal level, capital spending for public works is projected to average more than $24 billion a year between 1983 and 1990 (see Table I-1).[2] If current programs are maintained without change, these outlays would fall somewhat short of meeting needs as they are defined by the agencies with a role in providing these services.[3] Meeting needs under federal programs as they are now structured would raise annual federal spending to about $28 billion--or more, if needs are interpreted as reflecting a broader federal responsibility. At the same time, however, federal policies could be altered in a way that could bring the total federal costs to a lower level than under current programs--albeit with important

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[1] The concept of infrastructure can be applied broadly to include such social facilities as schools, hospitals, and prisons, and it often includes industrial capacity as well. The seven systems considered in this study share the common characteristics of capital intensiveness and high public investment at all levels of government. They are, moreover, directly critical to activity in the nation's economy.

[2] Unless otherwise noted, all dollar figures cited in this study are expressed in 1982 dollars.

[3] Needs are inherently difficult to quantify. They can depend on levels and quality of services, valuations of time, health, and safety, and other concerns. The composition of needs estimates is described in each chapter.

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TABLE I-1. FEDERAL SHARE OF ANNUAL CAPITAL INFRASTRUCTURE COSTS UNDER CURRENT AND REVISED POLICIES, 1983-1990 (In billions of dollars)

		Annual Spending to Meet Alternative Measures of Need	
Infrastructure System	Current Spending Level	Under Current Program Structure	Under Revised Programs
Highways	12.7	13.1	9.3
Public Transit	3.7	4.1	2.2
Wastewater Treatment	3.2	4.2	3.7
Water Resources	2.3	3.7	3.1
Air Traffic Control	0.8	0.8	0.7
Airports	0.8	0.9	0.3
Municipal Water Supply	0.9	1.4	1.0
Total	24.4	28.2	20.3

SOURCE: Congressional Budget Office.

implications for the states and localities that participate in providing public works and for the private-sector beneficiaries of infrastructure services.

The structure of many current federal programs tends not to encourage selection of the most efficient projects. Many also channel federal money toward projects that are of greater local interest than of overall nationwide benefit. Further, many federal programs were designed for important goals that have now been met--building a national network of highways, for example, or fostering regional development of agriculture, or constructing a system of locks and dams. Today, however, the more pressing needs are maintenance and repair.

Revised programs that emphasized investments with clear national significance and that reduced the current bias toward capital-intensive undertakings could improve the cost effectiveness of federal spending. One mechanism to help guide cost-effective investment is increased use of user fees, which can either raise money for needed projects or dampen demand, in turn diminishing needs. Under policies redesigned to reflect these considerations, federal costs to meet the nation's infrastructure needs could in fact be reduced to about $20 billion a year--$4 billion less than current spending.

Though such changes could bring about more cost-effective investments and with them, reduced federal spending, they might have to be coupled with other major nonfederal changes. State and local commitments to public works spending might have to rise. Users of services might have to pay more than they do now. And the levels of service now available might have to be diminished.

THE DIVERGENCE OF NEEDS AND POLICIES

Policies of planned governmental subsidization evolved out of concerns for regional development and fairness dating back to the early days of the nation's expansion and settlement. The aim of accelerated development of the West at the turn of the century, for example, prompted the federal government to foster western agriculture by subsidizing irrigation systems. Assistance to needy regions and groups of people has been another motive underlying federal subsidies to infrastructure services. Examples include the Appalachian highway program and much of federal aid to urban mass transit systems. Most federal infrastructure programs, having evolved without a single direction and having been shaped over time by the need to establish an infrastructure foundation, fail to recognize today's highest priorities--repair, rehabilitation, and replacement. Thus, the orientation of current federal infrastructure policies can promote inefficient spending.

Many of the concerns that once motivated subsidies for infrastructure facilities may now no longer apply. And in some instances, continuation of these policies can distort economic choices. Freight shipping on inland waterways, for example, has become a mature business, suggesting that the need for nurturing, in the form of federal subsidies, may long since have been met. In fact, these subsidies now cover more than one-fourth of the costs of the barge industry, many times the share of federal subsidies for other modes of transport. As an example of economic distortion, federally subsidized water transport encourages the use of barges rather than railroads, and this in turn stimulates demand to build more locks and dams with federal dollars.

CHAPTER II. HIGHWAYS

From a federal perspective, the area of most pressing need is the heavily traveled Interstate System, which, though not yet complete, suffers from accelerating deterioration. Though lesser roads also show signs of neglect, the Interstate System confers the clearest economic benefit to the nation as a whole. The federal cost of meeting major highway needs (including bridge work) is roughly $13.1 billion a year through 1990, of which the Interstate share would be some $7.5 billion. In size, the current federal commitment of $12.7 billion a year to highways seems reasonably matched to needs, and collections from user charges, substantially increased by 1982 legislation, cover federal costs adequately. But the structure of current policies does not always foster effective investment. Favoring new construction, current policies do not do enough to meet mounting needs for repair, resurfacing, and rehabilitation; by offering high federal matches to states and localities for construction investment, current policies promote states and localities to neglect repair. A redirection of policies to increase federal funding for nonconstruction purposes and/or to limit the federal role to those areas of clearest national importance would permit a reduction in federal highway taxes.

CHAPTER III. PUBLIC TRANSIT

While local fiscal constraints have forced many transit authorities to neglect the worsening physical conditions of older-generation rail systems, high federal capital grants (80 percent of investment costs through 1982, now 75 percent) have induced some cities to start new capital-intensive systems, particularly rail. (By and large, the transit bus fleets are in adequate condition.) The allocation of federal grants appears to favor urban areas with less pressing needs rather than the most transit-dependent cities. Not enough of the $3.7 billion available for distribution as federal capital grants goes toward mounting repair and rehabilitation needs, although the overall sum appears ample to meet transit needs as estimated by CBO at $3.6 billion a year through 1990. Adjustment in federal policies to improve the cost effectiveness and targeting of spending could permit transit needs to be met within current federal spending, and might even allow a reduction in the penny of the new tax on motor fuel that goes to transit. Such changes could include lowering the federal matching ratio, revising the distribution formula to favor cities that rely most heavily on transit, disbursing federal monies in transit block grants with few federal stipulations as to their use, and permitting experimentation with nontraditional modes.

CHAPTER IV. WASTEWATER TREATMENT

Inadequate sewer pipes and sewage treatment as well as insufficient system capacity to handle storm runoff characterize many of the nation's 15,000 wastewater treatment systems. If uncorrected, these problems could compromise federally mandated ambient water quality standards. Costs to meet wastewater treatment needs are estimated by the Environmental Protection Agency to total $118 billion by the year 2000, but projected federal and nonfederal outlays combined fall short of that goal by about 24 percent. The federal role in financing a major share of wastewater treatment has already begun to decline under recent legislation from 75 percent of capital costs since 1972 to 55 percent in 1985. To compensate for near-term losses and longer-term reduction of federal support prompted by budgetary strictures, local wastewater authorities, assisted by states, could step up efforts already under way to explore other public and/or private financing sources. Further, federal regulatory measures governing wastewater treatment might in certain instances be waived at no risk to natural water quality.

CHAPTER V. WATER RESOURCES--MULTIPURPOSE DAMS AND NAVIGATION WORKS

Needs for investment in water resources are divided roughly evenly between efforts that would prolong the useful lives of numerous dams and navigation works and those that would provide new or replaced capacity. On the basis of estimates by the U.S. Army Corps of Engineers, which builds and maintains multipurpose dams and a large share of all navigation works, the CBO estimates annual federal costs to meet water resources needs to be about 60 percent higher than current spending, going from $2.3 billion to $3.7 billion each year between 1982 and 1990. To meet total needs--about $4.1 billion a year--states and local governments would have to spend an additional $400 million a year. Backlogs of projects that have been approved but not begun have compounded these needs. CBO analysis concludes that needs estimates may be exaggerated, finding the federal role in financing (nearly 100 percent) and paying (roughly 70 percent) for these services one likely cause of overstatement, along with nonfederal financing shares that may be too small, and undercharges to users. Adjustments in the current allocation of costs, entailing realignment of responsibilities among levels of government, intergovernmental grants or loans, and major increases in user fees, could help contain increases in federal costs, holding them perhaps at $3.1 billion a year, or about 35 percent above current federal spending.

CHAPTER VI. AIR TRAFFIC CONTROL

Though still adequate to assure safety, the air traffic control system, run by the Federal Aviation Administration, is in need of modernization. The Congress has approved the FAA's National Airspace System Plan, which according to the FAA could cost an estimated $10.7 billion to implement but could save $25 billion by the year 2000 by replacing antiquated equipment with modern microchip technology. CBO analysis points to a conclusion that investment in this plan would prove sound no matter what course growth in aviation takes in coming years. Implementation of the plan, however, would depend critically on consolidation and closure of many facilities, which would entail major personnel reductions and would likely encounter strong opposition. The pace of modernization could be altered to allow gradual and more cost-effective phase-in of new technologies. A slowing of the growth in air traffic, which could result from withdrawing subsidies and raising user fees on general aviation (small aircraft used for corporate business and recreation) to levels that recovered the full federal costs of services to that class of users, could buy time to allow the FAA plan to be implemented in stages that would institute new equipment as it develops.

CHAPTER VII. AIRPORTS

The dominant problem of U. S. airports is congestion: 90 percent of all air passenger volume funnels through just 2 percent (66) of the nation's 3,159 public facilities. Over the 1970-1980 period, the federal share of airport capital costs was 38 percent, or $15.3 billion. To meet expansion needs as estimated under current policy, federal outlays would have to increase nearly twofold. CBO's analysis concludes that these projected needs may be exaggerated for two reasons. First, the strong financial position of major airports and their relatively easy access to nonfederal capital, reinforced by high bond ratings, suggest that the current rather small federal role could be diminished still further. Second, general aviation, especially small aircraft used for business, is heavily subsidized in the use of airports and accounts for a major share of the traffic clogging those facilities. Federal airport expenditures are now fully recovered by charges to users of commercial airlines (as ticket taxes), while general aviation users pay very little. Thus, general aviation is encouraged to use major airports instead of the numerous satellite ("reliever") airports that could accommodate them. Several measures could help redistribute this traffic among existing facilities and/or raise funds to pay for expansion. Passenger fees for terminal use--now prohibited by federal law--and surcharges for peak-hour landings at large airports might somewhat reduce overall general aviation traffic and/or divert it to reliever airports and to off-peak hours of travel.

CHAPTER VIII. MUNICIPAL WATER SUPPLY

Despite clear indications of physical and financial problems in the nation's municipal water supply systems, the CBO analysis points to no need for any appreciable expansion of the now small federal role. Federal outlays for municipal water systems totalled about $900 million in 1982. Physical problems are characterized as deterioration of existing distribution facilities, inadequate treatment facilities, and insufficient capacity to meet projected population growth. Overall funding to remedy these problems in the 756 urban systems that serve the most densely populated areas would total $6 billion to $9 billion a year by 1990. Up to 95 percent of these needs could be met with increased consumers' rates, many of which are now held at very low levels, and with a variety of state and local financing sources to which many water authorities might have access if certain barriers were overcome. The emphasis of such federal aid as is now provided seems properly targeted toward federal concerns--toward urban areas in fiscal distress and impoverished or thinly populated rural areas.

Fragile Foundations:
A Report on America's Public Works

Final Report to
the President and the Congress

National Council on Public Works Improvement

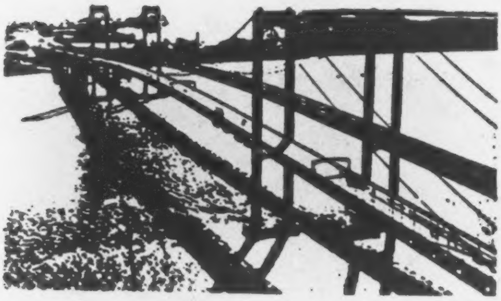
February 1988

Summary of Findings

The quality of a nation's infrastructure is a critical index of its economic vitality. Reliable transportation, clean water, and safe disposal of wastes are basic elements of civilized society and a productive economy. Their absence or failure introduces an intolerable dimension of risk and hardship to everyday life, and a major obstacle to growth and competitiveness.

The Erie Canal; the transcontinental railroads; the great dams and water systems of the west; the airports, seaports, and transit systems that serve our cities; our network of modern highways and soaring bridges—all these are part of this country's great public works inheritance from the generations of Americans who built before us. These massive and sometimes daring achievements supported the growth of the greatest economic power the world has ever known. They have been the envy of other countries and the model for our competitors.

Now that inheritance is in danger.



After two years of study, the National Council on Public Works Improvement (the "Council") has found convincing evidence that the quality of America's infrastructure is barely adequate to fulfill current requirements, and insufficient to meet the demands of future economic growth and development.

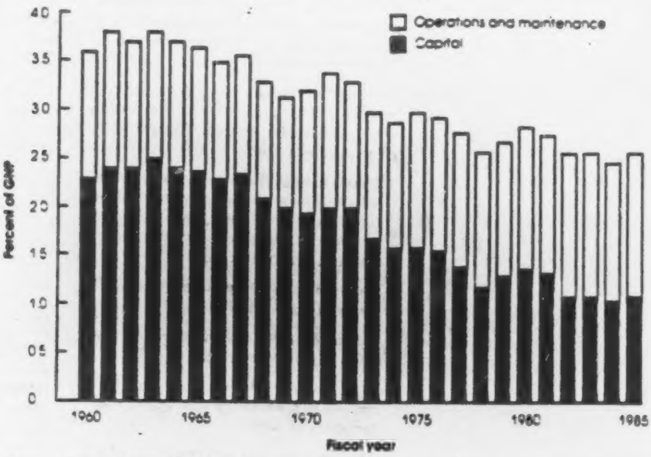
And unless we dramatically enhance the capacity and performance of the nation's public works, our own generation will forfeit its place in the American tradition of commitment to the future. Without such an effort, our legacy will be modest at best. At worst, we will default on our obligation to the future, and succeeding generations will have to compensate for our failures.

> *"We're spending our inheritance. You know, we built this freeway system . . . in the '50's and '60's, and we are still trying to make that do for today's needs."*
>
> Secretary Dewey Lonsberry,
> New Mexico Dept. of Highways
> and Transportation
> Council Hearing,
> Los Angeles, July 29, 1987

At present, most major categories of public works in the United States are performing at only passable levels. A few, such as water supply and water resources, remain in reasonably good shape. But others, such as solid waste and hazardous waste disposal, have serious and growing problems. In addition, smaller systems—in all categories and in nearly all regions of the country—face especially acute difficulties.

Part of the problem is financial. Overall investment in public works has slowed in the last two decades in relation to the demands of growth and environmental concerns. We have worn through the cushion of excess capacity built into earlier investments. In effect, we now are drawing down past investments without making commensurate investments of our own. Fig-

Figure 1—Public works outlays as a percent of GNP



Sources: U.S. Office of Management and Budget, Budget Appendices of the United States; U.S. Department of Commerce, Bureau of the Census, Government Expenditure Series; and The Economic Report of the President for various years.

ure 1 illustrates this pattern of decline in public works spending as a percent of GNP.

With nearly one trillion dollars of public works assets[1] in the United States, reduced spending over the short term does not mean that individual facilities are in imminent danger of collapse, or that particular regions are in immediate peril. However, a declining infrastructure inevitably will jeopardize the productivity of our economy and our quality of life. Failure to reverse this decline will exact a high price for the nation in the future, both in the cost of deferred investment and in reduced economic competitiveness.

Therefore, the Council recommends a national commitment, shared by all levels of government, the private sector, and the public, to vastly improve America's infrastructure. Such a commitment could require an increase of up to 100 percent in the amount of capital the nation invests each year in new and existing public works. In 1985, this amount was approximately $45 billion.

Dramatically expanding current capacity or doubling the rate of capital spending is not an absolute requirement in all infrastructure categories, at all levels of government, or in all regions of the country. However, an increase in capital spending of this magnitude is an important and achievable goal for the nation as a whole by the end of this century. For some categories, such as hazardous waste disposal, an even greater effort may be warranted.

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[1] This represents the approximate cumulative depreciated value of the public works facilities in the Council's purview. These include: highways, mass transit, aviation, water resources, water supply, and wastewater, solid waste and hazardous waste disposal. Public works can be interpreted more broadly to include communications, energy facilities, schools, hospitals, prisons, and parks. In an effort to target its resources, the Council has limited its primary focus to transportation, water, and waste disposal issues. Nevertheless, a considerable portion of its research findings and policy conclusions may apply to other areas.

A strategy to upgrade America's infrastructure must incorporate other tactics in addition to increased investment. **Thus the Council also recommends:**

- **Clarification of the respective roles of the federal, state and local governments in the construction and management of infrastructure to focus responsibility and increase accountability;**
- **Steps to improve the performance and efficiency of existing facilities;**
- **A rational capital budgeting process at all levels of government;**
- **Strong incentives to ensure adequate maintenance and, where appropriate, adopt new technologies; and**
- **More rigorous and widespread use of low capital techniques for delivering services and meeting service needs, such as demand management, coordinated land-use planning, and waste reduction and recycling.**

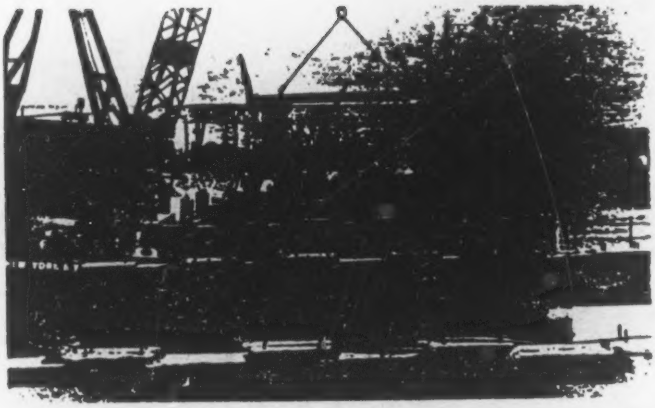
Through these measures the nation can make the best use of existing assets. This approach also may help to defer or avoid a significant portion of capital needs and costs that otherwise would be required in the future.

> *"Where in this myriad of problems is the good news? I would suggest that it lies in the opportunity to get government moving before an infrastructure crisis is upon us."*
>
> Michael Deland,
> Regional Administrator, EPA,
> Boston, Massachusetts
> Council Hearing
> Boston, Aug 3, 1987

The Council recommends that state and local governments continue to play their traditional leadership roles in the construction and management of the nation's infrastructure. But the Council also believes that the federal government must act as a full and responsible partner on a long-term basis in the national effort to increase and sustain public capital investment.

There is much to set right in America's house. The Council recognizes that an increased investment in infrastructure is just one among many critical claims on the nation's resources. To address this claim and others requires that we reckon first with the growing imbalance between consumption on the one hand and investment and savings on the other. This imbalance, reflected in the federal budget deficit and in other forms of borrowing against the future, affects all federal spending decisions. **The Council supports appropriate actions to redress the imbalance between consumption and savings so that future infrastructure commitments will not be shortchanged.**

The Council believes that infrastructure must rank high among our priorities. We must ensure that our highways and subways can move us swiftly and safely; that our homes, farms, and industries are supplied with ample clean water; that we re-



duce and safely dispose of the increasing volume of poisonous wastes our society generates, and that we provide the structural underpinning for a robust and competitive economy.

To reach this goal by the turn of the century, we must start now to rebuild what we have neglected, to repay where we have borrowed, and to invest again in our future and our children's future.

Joseph M. Giglio

Joseph M. Giglio
Chairman, New York, New York

Peter C Goldmark Jr

Peter C. Goldmark Jr.
New York, New York

Lowell B. Jackson

Lowell Jackson
Aurora, Colorado

Freeman Holmer

Freeman Holmer
Eugene, Oregon

Frieda K. Wallison

Frieda K. Wallison
Washington, D.C.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

THURSDAY, MARCH 29, 1990

House of Representatives,
Committee on Public Works and Transportation,
Washington, DC.

The committee met, pursuant to notice, at 10:16 a.m., in room 2167, Rayburn Office Building, Hon. Glenn M. Anderson [chairman of the committee] presiding.

The Chairman. The committee will come to order. Good morning to all of you.

Before we begin today's hearing, I would like to introduce the newest members of the committee, the Hon. Gary Ackerman of New York, the Hon. Chris Perkins of Kentucky, and the Hon. Susan Molinari of New York.

Gary Ackerman is a native New Yorker, born in Brooklyn. He attended New York City public schools and is a graduate of Queens College. He is a former public school teacher, newspaper editor, and businessman.

Gary served in the New York State Senate from 1979 until his election to Congress in 1983. He and his wife Rita have three children. Please join me in welcoming Congressman Ackerman.

[Applause.]

Chris Perkins is no stranger to the committee, having served previously on other assignments. He is an attorney by education and a former Member of the Kentucky House of Representatives until his election to the 98th Congress.

Chris and his wife Janet have two children. Please join me in welcoming Congressman Perkins.

[Applause.]

The Chair now recognizes the distinguished gentleman from Arkansas, Mr. Hammerschmidt, to introduce the third one.

Mr. Hammerschmidt. Thank you very much, Mr. Chairman. I want to join you in a warm welcome to Gary Ackerman and to Chris Perkins. Chris is certainly no stranger to this committee; he served on it previously.

Now, I am extremely pleased to welcome our new colleague from Staten Island, Congresswoman Susan Molinari.

[Applause.]

We are fortunate that in this case, service in the Congress and on our committee seems to be a family tradition. Susan's father, Congressman Guy Molinari, was one of our most outstanding and dedicated members. Before his election to Congress, Guy had served in the New York Assembly just as his father, Robert Molinari, had in the 1940s.

While we hated to see Guy Molinari leave to make his successful race for the Staten Island Borough Presidency, we are delighted to have Susan take his seat in the House and on this committee. She has certainly accomplished a great deal in a short period of time, and I am confident that she has a bright future in this body.

Before joining the 101st Congress, Susan Molinari served as Minority Leader of the New York City Council from 1985 until 1990. She was the youngest person ever elected to the council, and while there, she served as an ex officio member of all committees including environmental protection, which is one of her special concerns.

On this committee, Mr. Chairman, Susan will serve as a member of our Aviation and Water Resources Subcommittees. On behalf of the minority membership of our committee, I am proud to welcome Susan Molinari to our ranks. I look forward to working with her in the months and years ahead.

[Applause.]

The CHAIRMAN. Thank you, John Paul. I want to let you know that I welcomed Susan the other day when we swore her in, and I told her that she is going to make the New York delegation look a heck of a lot better. [Laughter.]

Susan, you are very young, but a hundred years ago almost, I was the youngest mayor in the United States at one time. We are kind of together on that.

Mr. HAMMERSCHMIDT. That was in Hawthorne, California, Susan.

The CHAIRMAN. It was also 1940, before she was born.

Mr. HAMMERSCHMIDT. During the Civil War. [Laughter.]

The CHAIRMAN. Today's hearing is on the future of our Nation's infrastructure needs. With this hearing, we begin the first in a series of events organized to provide informational tools that we will need to address this issue, to raise public awareness, and to get all of us involved in solving the problem of this Nation's infrastructure crisis.

Next in the series, which is tomorrow, is an informal roundtable discussion on infrastructure, productivity, growth, and competitiveness. We have assembled a panel of distinguished economists who will share their thoughts and expertise. John Paul and I believe this will be a most informative event, and I would encourage each of you to attend.

Continuing the series through the remainder of this year, the committee will review local and State programs that have been successful, look at financing options and explore new technologies, and we will also hold meeting at sites around the country to hear a broad range of ideas.

To solve the problems of infrastructure will not only require billions of dollars, a combination of Federal user fees and State and local revenues, but also massive amounts of cooperation, commitment, and hard work on everyone's part. We need to find a way to drive home to the American public the fact that the very quality of our lives depends upon the quality of our infrastructure, even upon something as basic as our water supply.

When we turn on the tap, we can expect clean water to flow into our glass. At the present rate of investment in our infrastructure, this convenience could become a luxury.

Infrastructure is not an exciting subject by any stretch of the imagination, but it is a terribly important and imperative one. It is at the very core of our quality of life. It is the cornerstone of our cities and rural communities. I think that we will find that it is entwined in a fragile balance with our economy. A sound economy must be based on a solid infrastructure.

For the past 20 years, with the demands of a tight budget and inflation, the maintenance of public facilities, essential as they may be to the economy, were continuously postponed until tomorrow. Well, tomorrow is here. Now we have to decide what we intend to do about it.

We need to answer some key questions. First, what measures do we take to avoid traffic congestion tripling by the year 2005? In any given day, there is a 45 percent chance that each of us will cross a bridge that is either structurally deficient or functionally obsolete. Do we finance improvements to those odds?

How do we meet the needs of expanding airline traffic when we have not built a new airport in this country since 1974? How do we maintain a functioning water system when some of our urban water lines are over 100 years old, losing as much water as they move? What do we do with the trash that piles up or floats around on a barge for over a year for lack of disposal facilities?

Today we have an impressive agenda of prestigious witnesses before us who can speak with some authority to these issues and many others. They are the Hon. Richard Gephardt, Majority Leader of the House of Representatives, the Hon. Newt Gingrich, the Minority Whip, Major General Patrick Kelly, the Director of Civil Works for the United States Army Corps of Engineers, and Mr. John Horsley, the founder of the Rebuild America Coalition. This is indeed an impressive roster that we have today to kick off a vital series of committee events.

Let me now introduce one of the best members of our committee. I sometimes say that he is so great that it makes him sound better than I, which is difficult. He is one of the greatest guys in the Congress, John Paul Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman. You are too kind.

As you suggested in your opening statement, our Nation's infrastructure has an image problem. It does not compete as well as it should with more high profile issues and programs, probably because there is nothing especially sexy or exciting about roads, bridges, airports, public transit systems, waterways, and sewage treatment plants. They do not instantly capture the imagination and attention of the public, unless there is a catastrophic bridge collapse, a dam break, an earthquake, or the like.

It is sad but true that we take our infrastructure for granted. That is a serious mistake because it is so basic to our economy and to our daily lives. As a witness observed at one of our needs hearings several years ago, if you live in one of our larger cities, you probably start your day with a shower using the city water and sewage system. You brew your morning coffee with electricity generated by the local power company.

When you head off to work, you travel over roads built with local, State, and Federal monies. You might be taking public transit for all or part of your trip. When you get to your office, you will no doubt use your telephone extensively.

One phone call might be to arrange a business trip. When you make that trip, you fly out of the local airport and when you reach your destination, you might as well take a commuter train into town. If it is raining, you can put your mind at ease while a municipal storm sewer system protects the street from flooding.

All of these components of public infrastructure make our day run smoothly, so smoothly that we hardly even notice—apparently so much so that we think it will last forever. But it will not last forever. If you have any doubts, stay tuned to the spokesmen from the Rebuild America Coalition and the Corps of Engineers and join us for the other hearings that we will be having over the coming months.

As good as our system is, we can not afford to sit on our hands. The opening of the Western European markets and the economic revival of Eastern Europe are clear warnings to us that we had better be an economic competitor or we will slide into second rate status.

Our infrastructure drives economic growth and productivity. If we neglect it, we will lose our competitive edge and be saddled with an unmanageable trade deficit. Both Japan and Germany have five year plans to ensure continuous infrastructure funding. Either we continue to control our own destiny, or someone else will.

Japan already has a productivity growth rate that is more than four times that of the United States. Our children and grandchildren will hold us accountable for what we do. If they are stuck with the bills for our short-sightedness, they will ask what we were doing when we had the watch over the Nation's public works and transportation system.

Mr. Chairman, I want to commend you for scheduling this very important hearing. This is a bipartisan issue, and the fact that our distinguished House Majority Leader and Minority Whip are here further emphasizes that fact.

I want to welcome Congressman Gephardt and Congressman Gingrich, who is a former member of our committee and who will be here later. I also want to welcome the other witnesses who are going to testify.

The **Chairman**. Thank you very much, John Paul.

I am going to ask if there are any other opening statements? To accommodate the schedules of our Majority Leader and Minority Whip, I ask that any other opening statements be very brief.

Mr. Mineta?

Mr. **Mineta**. Mr. Chairman, I will just submit my statement for the record. Thank you for your leadership and that of Congressman Hammerschmidt on scheduling these hearings to focus on the rebuilding of our Nation's infrastructure.

The people who are on the agenda are knowledgeable and have been on the cutting edge as it relates to this whole issue of our infrastructure needs. Those needs are great and must be addressed if we are to be productive as a country and competitive in an international, global market place.

We saw our net public investment by Federal, state, and local governments that averaged some 2.3 percent of GNP in the sixties and seventies drop to .4 percent in 1984. We know what the result of that has been.

Our bridges are crumbling. In the next 10 years, over a million miles of our highways are going to have to be repaved. Those facts and figures are available to all of you. You know what they are, so it really is imperative that we invest in the future if we hope to compete in that world market place.

Again, Mr. Chairman, thank you and Mr. Hammerschmidt for leading the way.

[The prepared statement of Mr. Mineta follows:]

REMARKS BY

NORMAN Y. MINETA, M.C.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

HEARING ON

INFRASTRUCTURE NEEDS

MARCH 29, 1990

Mr. Chairman, I applaud your leadership for scheduling hearings to focus on rebuilding of the Nation's infrastructure. Our Nation's infrastructure must be prevented from crumbling into ruins.

As the Committee deliberates the status of America's infrastructure, we will be focusing on how to preserve our nation's competitiveness and our citizens' quality of life into the 21st Century.

The key question that must be answered is "What must the Congress do to rebuild America?". Today, we take the first step toward finding a solution.

A sound American infrastructure is absolutely essential if the United States is to flourish in the 1990's and enter the 21st Century as a world leader.

A sound American infrastructure will bolster our international competitiveness, foster domestic economic development, improve public safety and enhance our overall quality of life.

When we mention "infrastructure", the tendency is to think roads, bridges, mass transportation, airports, waterways, water supply, wastewater treatment, and solid waste disposal systems. However, make no mistake, an essential element of the nation's infrastructure will focus on a sound network of transportation systems.

Meeting our transportation needs is a substantial challenge. We are not only concerned about the future, but about playing catch up on the nation's unmet needs.

Net public investment by Federal, state and local governments averaged 2.3 percent of GNP in the 1960's. It dropped to four-tenths of 1 percent during Ronald Reagan's first term in office.

Meanwhile — outside the Capital Beltway, as well as on it — urban traffic congestion increased by 50 percent since 1980. What's worse is that a recent study by the General Accounting Office predicts that delays on urban freeways will increase 436 percent by the year 2005.

Is there any wonder why?

Half our Nation's bridges are deficient or functionally obsolete.

More than a million miles of highway will need to be resurfaced in the next 10 years alone.

And all the while, Federal highway expenditures have been on the decline. And since 1981, mass transit funding has been cut in half.

Underfunding these programs in the past may have made sense to some for the sake of a short-term fiscal breather. But over the long haul, we have crippled our ability to compete by inadvertently denying America's businesses and the American people to a fully functional transportation system.

The bottom line is this: We must invest quickly and wisely in our transportation infrastructure before it is too late.

As the Subcommittee on Surface Transportation continues its efforts to develop comprehensive legislation to reauthorize the surface transportation programs for the 21st Century, our focus will be on preserving the nation's infrastructure.

The truth is this: We must invest in the future, if we hope to compete in the world marketplace.

The CHAIRMAN. Thank you, Norm.

The gentleman from Oklahoma, Mr. Inhofe?

Mr. INHOFE. Just briefly, Mr. Chairman, I also want to join those applauding you for having these hearings.

During the decades of the fifties, sixties, and seventies, it seemed like most of the infrastructure was given to the highly industrialized areas of this Nation with the idea that some of the newer areas did not have those problems. As a former three-term mayor of a major metropolitan area, Tulsa, Oklahoma, I was distressed to find at that time that our infrastructure had been neglected and that those newer parts of America are now deteriorating.

I am very thankful that we have people who are interested in Missouri, Arkansas, Oklahoma, and other areas that have long been forgotten and that they will get special attention during these hearings. Our effort is going to be toward rebuilding America, not just parts of America, but all of America. Thank you.

The CHAIRMAN. The gentleman from California, Mr. Packard.

Mr. PACKARD. Mr. Chairman, I have a very long and interesting statement. I will not give it all, but I would like to emphasize one thing.

It is politically dishonest for us to look for new ways to raise taxes, to increase user fees, to enhance revenues, when we have trust fund monies that are going unspent. My statement dwells on that to some extent along with other things, but I would like to emphasize that.

I hope that the leadership of the House and this committee will continue to pursue the use of the trust funds that have been raised for infrastructure rebuilding at the same time that we are looking for other revenue.

Thank you.

[The prepared statement of Mr. Packard follows:]

Ron Packard

STATEMENT OF THE
HONORABLE RONALD C. PACKARD
REPRESENTING THE 43RD DISTRICT OF CALIFORNIA
BEFORE THE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
MARCH 29, 1990

MR. CHAIRMAN. THE HEARING TODAY WILL FOCUS ON A MOST IMPORTANT NEED FACING AMERICA TODAY--OUR NATION'S INFRASTRUCTURE. AMERICA'S FOUNDATION, OUR EXISTING NATIONAL INFRASTRUCTURE IS CRUMBLING, SIMPLY FALLING APART. WHAT'S MORE, OUR CURRENT SYSTEM OF INFRASTRUCTURE; EVEN IF REPAIRED; IS INADEQUATE, AND OFTEN TIMES ANTIQUATED. OUR COMMITMENT, CONGRESS' COMMITMENT, THE ADMINISTRATION'S COMMITMENT TO BUILDING AND REBUILDING OUR INFRASTRUCTURE IS LACKING.

IT IS NOTHING LESS THAN DISHONEST TO THE

AMERICAN PUBLIC TO REQUEST AN INCREASE IN USER FEES OR A TAX INCREASE OR A REVENUE ENHANCEMENT THAT WILL BE COMMITTED TO A TRUST FUND. THE PRIMARY PURPOSE OF WHICH IS A BUDGETARY SMOKE AND MIRROR ROUTINE. THAT IS TO SAY, USING FEDERAL TAX INCREASES TO "MASK" THE FEDERAL DEFICIT. THE INFRASTRUCTURE TRUST FUNDS MUST BE TAKEN OFF-BUDGET FIRST. ONLY THEN CAN WE DISCUSS NEW TAXES TO BE SPECIFICALLY COMMITTED TO INFRASTRUCTURE. WE ON THIS COMMITTEE, IN A BIPARTISAN MANNER, HAVE PROPOSED TAKING THE TRUST FUNDS OFF-BUDGET BEFORE, ONLY TO BE DEFEATED BY THE MAJORITY LEADERSHIP ON THE HOUSE FLOOR. CONGRESS DOES NOT HAVE CLEAN HANDS ON THIS ISSUE.

NO ONE QUESTIONS THE CRITICAL NEED THAT FACES US. TO MEET THAT NEED WE MUST CHANGE OUR TRADITIONAL FOCUS ON INFRASTRUCTURE. ONLY RECENTLY HAVE WE RECOGNIZED THE IMPACT OF INFRASTRUCTURE ON OUR INTERNATIONAL

COMPETITIVENESS AND OUR DOMESTIC ECONOMIC STRENGTH. IN KEEPING WITH THAT, A GREATER EMPHASIS SHOULD BE PLACED ON COST-BENEFIT ANALYSES OF PROPOSED PROJECTS. IN A TIME OF SHRINKING BUDGETS, THIS APPROACH TO SPEND MONEY MORE WISELY DOES MAKE SENSE. INNOVATIVE FINANCING MECHANISMS CAN BE EXAMINED. USE OF NEW TECHNOLOGIES IN PLANNING AND CONSTRUCTION OF INFRASTRUCTURE PROJECTS IS NEEDED. CHANGES IN OUR FEDERAL, STATE AND LOCAL GOVERNMENT PARTNERSHIP SHOULD BE EXAMINED. MORE COOPERATION AMONG THE PARTNERS IS CERTAINLY NEEDED. IN THE CASE OF THE FEDERAL GOVERNMENT, BETTER, MORE EFFICIENT COMMUNICATION AMONG THE FEDERAL AGENCIES WOULD BE WELCOMED. GREATER PRIVATE SECTOR INVOLVEMENT SHOULD BE ENCOURAGED. THE ANSWERS DO NOT LIE SIMPLY IN RAISING FEDERAL TAXES AND SPENDING MORE FEDERAL DOLLARS. THIS IS NOT A PROBLEM THAT WE CAN THROW FEDERAL MONEY AT IN HOPES OF IT GOING

AWAY. WE NEED TO LOOK AT ALL LEVELS OF OUR INFRASTRUCTURE PROBLEM. FORGING NEW PARTNERSHIPS, USE OF PRIVATE CAPITAL, NEW FINANCING MECHANISMS, GREATER EMPHASIS ON USERS, COST-BENEFIT ANALYSES, INCREASES ON SPENDING, REVENUE INCREASES AND OTHER FACTORS ALL MUST BE CONSIDERED IN ORDER TO PRODUCE A PROPOSAL THAT WILL ULTIMATELY SOLVE OUR INFRASTRUCTURE PROBLEMS.

WE WILL HEAR MUCH TODAY ABOUT A "NEW" COMMITMENT TO INFRASTRUCTURE. WHEN OVER 40% OF OUR BRIDGES ARE IN DISREPAIR, WHEN MILLIONS OF HOURS OF PRODUCTIVITY OF OUR NATION'S WORKERS ARE LOST SITTING IN TRAFFIC OR IN AN OVER-BURDENED AIRPORT, WHEN THOUSANDS OF GALLONS OF WATER ARE LOST EACH YEAR BECAUSE OF ANTIQUATED, INEFFICIENT WATER SYSTEMS, A NEW COMMITMENT TO MEET OUR INFRASTRUCTURE NEEDS IS CERTAINLY WARRANTED.

I WHOLEHEARTEDLY SUPPORT A NEW COMMITMENT TO INFRASTRUCTURE. THIS COMMITMENT, HOWEVER, MUST TAKE INTO ACCOUNT CHANGES IN OUR ECONOMY AND CHANGES IN INTERGOVERNMENTAL RELATIONS. THIS NEW COMMITMENT MUST CREATE FLEXIBILITY FOR STATE AND LOCAL GOVERNMENTS (AS THE NATIONAL TRANSPORTATION PLAN DOES), REMOVE RESTRICTIONS PLACED ON PRIVATE CAPITAL AND YES, EVEN ENCOURAGE THE USE OF PRIVATE CAPITAL AND PRIVATE ENTERPRISE. THIS NEW COMMITMENT MUST ALSO ENDEAVOR NOT TO PENALIZE LOCAL COMMUNITIES FOR LEVYING TAXES AND BUILDING SOLID INFRASTRUCTURE PROJECTS. CURRENTLY, THE FEDERAL GOVERNMENT AND THE CONGRESS HAVE SET UP INSTITUTIONAL ROADBLOCKS TO PREVENT THIS TYPE OF LOCAL INVOLVEMENT. WHAT INCENTIVE EXISTS FOR LOCAL COMMUNITIES TO TAKE THIS ACTION, WHEN THEIR CITIZENS PAY FEDERAL TAXES AND FEES TO SUBSIDIZE OTHER AREAS OF THE COUNTRY? OR EVEN WORSE THAT SIT IN $20 BILLION

DOLLAR PLUS TRUST FUNDS? FINALLY, THE NEW COMMITMENT MUST INCLUDE THE TAKING OF INFRASTRUCTURE TRUST FUNDS OFF-BUDGET, AND COMMITTING THOSE MONIES TOWARD INFRASTRUCTURE. WITHOUT THIS STEP, WE CANNOT SOLVE THE PROBLEMS THAT FACE US.

I LOOK FORWARD TO THE TESTIMONY OF TODAY'S WITNESSES, ESPECIALLY, CONGRESSMAN GEPHARDT AND CONGRESSMAN GINGRICH, A MEMBER OF THIS COMMITTEE, WHO I AM CERTAIN HAS IMPORTANT VIEWS ON THIS SUBJECT. MAJOR GENERAL KELLY WILL TESTIFY, GIVING THE COMMITTEE THE VIEWPOINTS OF THE CORPS OF ENGINEERS, AS WILL JOHN HORSLEY REPRESENTING THE VIEWS OF REBUILD AMERICA. I WISH TO THANK THE CHAIRMAN, MY COLLEAGUE FROM CALIFORNIA, MR. ANDERSON, AND THE DISTINGUISHED RANKING MEMBER, MR. HAMMERSCHMIDT, FOR HAVING THE FORESIGHT TO CALL THIS VERY IMPORTANT HEARING. I LOOK FORWARD TO WORKING WITH MY COLLEAGUES TO

FORMULATE A PROPOSAL TO SOLVE OUR INFRASTRUCTURE PROBLEMS. THIS HEARING IS CERTAINLY AN IMPORTANT FIRST STEP.

The CHAIRMAN. Mr. Jones?

Mr. JONES. Mr. Chairman, I would like to submit my statement for the record and to echo the remarks of my colleague from California. I want to welcome the distinguished Majority Leader and our other guests here today. Thank you.

[The prepared statement of Mr. Jones follows:]

Thank you Mr. Chairman.

I commend the distinguished Majority Leader, Mr. Gephardt, and the distinguished Minority Whip, Mr. Gingrich, from the Great State of Georgia, and our other guests for appearing before us today to give their views on our nation's infrastructure needs. We look forward to your testimony.

We all agree that the condition of our infrastructure is one of the most important issues facing our nation. Our roads, bridges, mass transportation, airports and waterways, water supply and treatment are essential to our nation's economic health and continued prosperity.

Like those elsewhere in the nation, Georgia's roads, bridges, and mass transportation are in need of repair and reinvestment. To begin, we must stop the trend of declining federal investment in or infrastructure, and reverse this precipitous course.

We can start by freeing the highway and airport trust funds, and spending the money we have earmarked, by law, for investment in our infrastructure.

Over $250 million in Federal highway apportionments to Georgia are untouchable this year because we refuse to spend down the trust Fund. This is the amount committed to Georgia from the Trust Fund for building bridges and highways.

We have $1.9 billion in bridge needs in Georgia, but the state cannot even spend the $27 million pledged to us, because of the refusal to spend down the trust fund, which now has a surplus of $10.6 billion.

Many creative ideas have been proposed for the improvement of our nation's infrastructure. It badly needs improvement. But we cannot begin to make new promises until we honor those we have already made.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hancock.

Mr. HANCOCK. Thank you, Mr. Chairman. I would like to welcome the Majority Leader to this hearing, specifically on the fact that he is from the State of Missouri. I have read the testimony and would like to point out that even though we are concerned about the heavily populated areas of the East and West Coast, we also need to think a little about the area of the Midwest. We are still the breadbasket of the world and we are very dependent upon highway transportation.

I think that a lot of the people on the East and West Coasts appreciate the fact that most of the wheat that they put into their bread comes from the area we are from. Thank you.

Mr. LIGHTFOOT. Mr. Chairman, I have a statement for the record.

The CHAIRMAN. Hearing no objection, so ordered. We also have an opening statement from Mr. Parker which will be placed in the record at this point.

[The prepared statements of Mr. Lightfoot and Mr. Parker follow:]

STATEMENT BY CONGRESSMAN JIM LIGHTFOOT

Mr. Chairman, thank you for holding this hearing providing an overview of our nation's infrastructure needs. I think almost everyone would agree that we need to examine ways to inprove our nation's infrastructure. Although we recognize that our roads, bridges, airports, and water systems need some drastic improvements, municipal budgets do not have adequate funding to fix these problems. State and local budgets are streched beyond capacity with no relief in sight. During a period of innovative technical and industrial changes, our communities are unable to keep up with the modifications needed. Federal cutbacks have forced state and local governments to assume more of the burden of cost sharing. Compounding this problem are the regulations mandated by the Environmental Protection Agency as well as the phaseout of some of their programs designed to assist our locals. Therefore, I welcome any suggestions our distinguished guests may offer at today's hearing.

OPENING STATEMENT OF CONGRESSMAN MIKE PARKER

Thank you, Mr. Chairman. I think it is important that we are here today to address the problems of our country's infrastructure. In my opinion, they should have been addressed many years ago. The magnitude of the infrastructure problem is not reflected in any of our levels of government's priorities. The Office of Technology Assessment reported that spending for public works projects ranks fourth place or lower for all levels of government. Yet, everyone consistently agrees that the nation's infrastructure needs upgrading and that additional investment would benefit individuals and the national economy. I look foward to hearing your ideas on solutions that will not only meet our present needs, but that have the capacity to meet the needs for economic growth for many years to come. Thank you.

The CHAIRMAN. I am pleased to welcome our first witness, the distinguished Majority Leader, Hon. Richard Gephardt. We are fortunate to have the Majority Leader's strong, enthusiastic support. True to his job title, he has shown great leadership in our efforts to deal with the infrastructure challenge. As a matter of fact, he initiated a visit to New York City recently by a number of members to focus attention on some very serious infrastructure problems that they are having there.

Mr. Leader, we appreciate your commitment to infrastructure and we look forward to working with you and the entire leadership of the House in providing solutions to this vital national issue.

I give you our Majority Leader.

TESTIMONY OF HON. RICHARD A. GEPHARDT, A REPRESENTATIVE IN CONGRESS FROM MISSOURI

Mr. GEPHARDT. Thank you, Mr. Chairman, Representative Hammerschmidt, Members of the Committee. I am honored to be here today.

I want to start by saying that in my humble opinion, on the issue of our public structures, while it is not the only important challenge we face as a country, I believe that it sits right at the top with issues like education and research in what it is going to take to rebuild the economic vitality of our country.

In the last few years, I have had the opportunity to travel to other countries—both developed and undeveloped countries. In Mexico, Panama, Eastern Europe, and in China, when you talk to the leaders of those countries about how they are going to revitalize their countries, the first issue they bring up is their lack of public structures, their lack of roads to bring food to the cities, their lack of bridges, their lack of ports, their lack of public facilities.

When you go to West Germany and Japan, you see countries that are highly developed, who are truly our competitors today along with others like them. If you look at their national budgets, you clearly understand that they are spending much more than we are as a country in building and rebuilding our public structures. In fact, I am told that in West Germany and Japan today, each country is spending in dollars about as much as we are in building and rebuilding their public structures when, of course, they have populations that are much smaller than ours.

Truly, America is at a crossroads. I think there was a saying in past years about an airline—I will not name it because I do not remember which one it was—but their slogan was, "We earn our wings every day." I think that there has been a feeling in America that we have built our public structures and we do not need to worry about it anymore. It will take care of itself. That is a challenge that is behind us.

I think that more and more Americans are beginning to understand that we have to earn our public structures every generation. Right now, this generation of Americans faces perhaps the toughest challenge that we have ever faced. We can either choose the path of disinvestment in the public structures and physical structures which encompass the fiber of our economy, or we can address the problems of failing infrastructure while they are still at a manageable and somewhat affordable level.

The relationship between economic strength and level of capital investment has been understood, I think, for years. We know that severe economic consequences are directly related to traffic congestion and airport delays. It is hardly a revolutionary notion to suggest that unless the decision is made to invest in capital improvements sooner rather than later, a decline in the country's physical capacity will be coupled with a decline in economic growth and ultimately a declining standard of living for our people.

The impact is far reaching. It affects our international competitiveness. During a period when both Japan and Western European countries are expanding economically, they are increasing their share of investment in relation to overall GNP. The United States, in a period of burgeoning trade deficits, is actually reducing our share of capital investment with respect to overall GNP.

Listen to this fact: we now rank 55th in the world in capital investment in infrastructure as a share of gross national product. I think we have to ask the question: how can we expect our products to be marketed halfway around the world when we can not effectively transport our products between our towns or around towns? We can not allow this drain on economic capacity to go unchecked.

At this point, let me turn to the details of some of the specific modes of transportation to understand exactly what this Member thinks we can do better.

First, on highways. As we commemorate the centennial of the birth of President Eisenhower—a lot of us were overjoyed to be in the room and all of us, Democrats and Republicans, had "I like Ike" buttons on the other day, and I thought it was one of the greatest ceremonies in the history of the House—but as we commemorate that great man's birthday, we have to remember his role in creating the Federal Highway System.

In 1955, he proposed a visionary plan to construct a highway system covering 42,000 miles, linking every major urban center in the contiguous United States. Eisenhower had carried this notion around with him since his early days in the army during World War I. He recognized the necessity of having a system in place that was efficient for transporting and mobilizing troops. He recognized that economic security as well as military security are linked in an efficient interstate system.

When finally implemented, Eisenhower's plan set up the Federal Highway Trust Fund that was financed by a three cent per gallon tax. The Federal Highway Administration was set up to administer the fund. Today, all of that system as Eisenhower envisioned it is in place. In the last 35 years, over $100 billion has been funneled through the trust fund to finance the Federal share of that system.

I think that the point we must understand is that we can not rest on our laurels. In the next 30 years, traffic is expected to double in volume. This includes interstates, inner-city streets, and rural highways. To put this in perspective, in 1989, Americans travelled more than two trillion vehicle miles, more than three times the traffic at the inception of the Federal Interstate Highway System in 1956. Every American who regularly sits in traffic on his or her way to or from work should be disturbed by this trend. For most motorists these days, "rush hour" is an oxymoron.

The Federal Highway System in the 1990s should evolve in a symbiotic fashion with shifting demographics in and around growth areas. There are some communities which are experiencing unbearable traffic snarls simply because they may be only one thoroughfare providing access to the interstate. The city of Festus, Missouri, which is in my district, is dealing with a problem of just this nature. Because of a narrow two-lane overpass on route 21A leading directly from nearby Interstate Highway 55, it creates chronic congestion problems that local residents must fight daily.

We have signs on route 21A that call it "Death's Highway." There have literally been hundreds of people, a lot of them young people, who have met their death on that highway because of its inadequate status, the number of curves, and the lack of access that it provides.

Traffic volume is not the only issue at stake. The nation's growing bridge crisis is an area of concern that is worthy of mention. As you know, almost half of the country's bridges are today deemed to be substandard. I am alarmed to tell you that in our State of Missouri—and I am sure that Congressman Hancock will tell you about this early and often—almost 70 percent of the bridges are considered to be substandard.

Another area that has experienced meteoric growth, especially since deregulation, is the aviation system. I know this because I have been in every major airport in the country in the last few years, in some of them many times. I could never begin to estimate the amount of time that you and I have spent in our lifetime waiting in terminals, on the tarmac, and hovering in holding patterns because of the congestion of our airport and airway system.

According to a recent industry study, the price tag to improve airport capacity to keep pace with demand is over $50 billion in the next few years. Today, 21 airports, including my home airport of St. Louis, experience an average of 55 hours of aircraft delay every single day of the year. Without major capital improvements in the next few years, the Federal Aviation Administration expects chronic delay problems in over 40 percent of the nation's commercial airports. This would affect eight out of 10 people who fly in and out of America's airports.

There are efforts being made by local planners to meet these demands. In Denver, the first new airport to break ground since 1974 is currently under phase one of construction. We read in the paper this morning that there is movement in that area. That is the only new facility now under approval by the FAA, the only one.

There are also substantial expansion projects underway at existing facilities. Our airport in St. Louis currently has a proposal before the FAA to add three new runways and expanded gate facilities. Approval of the project would infuse an estimated $4 billion into the local economy annually. Without it, the airport will simply choke on a capacity problem that is expected to double in volume within the next 20 years. I would suppose that every member here and probably every Member of the Congress could tell a similar story with different facts, different airports, different circumstances, but the same outcome.

As demands on transportation systems increase, finding innovative ways of financing and managing them is imperative. Mass transit planning is one of the most effective ways to deal with congestion in urban areas. Not only is there a benefit in reducing the strain on congested roads, but mass transit policy is a good policy in the area of energy efficiency and clean air. While there are few new-start projects underway right now, there are a couple in the works, like the Los Angeles Metro and the St. Louis MetroLink, which will begin breaking ground very shortly.

Mr. Chairman, now that I have laid out a litany of deficiencies in public structures, let me finally leave the committee today with a more positive assessment of America's potential.

As we begin the decade of the nineties, we have an opportunity to put the focus on the critical areas for improvement. As I said earlier, I applaud the essential work that you and the Members of the Public Works Committee are doing in these various areas. I would also like to state that Secretary of Transportation Skinner has been instrumental and helpful in framing the dialogue on transportation needs. His national transportation proposal, released earlier this month, shows great depth in describing areas that we need to address.

However, I must say that I disagree with many of the Secretary's conclusions. I do not believe that we can address the Nation's needs through the fragmented prism of state and local financing and forsake the federal share of the responsibility. I think it is imperative that we honor our commitment and our responsibility to the country, to the State and local jurisdictions, in joining together in a partnership to meet these challenges.

The public deserves better support for quality infrastructure. We have a solemn obligation to do more than taking a peripheral interest in how these systems are developed and improved. Rebuilding America in the 1990s will be an awesome task. There are no easy solutions.

Ladies and gentlemen of this committee, I believe that we have the good sense, the intelligence, and you have the experience, so that working together, we can meet these challenges. I want you to know that you have a partnership with all of us in the Democratic Party and the Democratic leadership. I am sure that we have a partnership with the Republican leadership on this committee and in the House, hopefully in the Congress as a whole, and hopefully with the Administration as a whole.

We will meet this challenge and rebuild this country. We will send an America to our children and grandchildren that is better built and stronger than the way we found it.

Thank you very much.

The CHAIRMAN. Thank you, Dick, for an excellent presentation. I have a question and I am sure that John Paul will have one or two.

Even though the magnitude of our infrastructure needs is still unknown, it is clear that the problem is national in scope. In the older industrialized areas, the greatest difficulty is posed by aging facilities that need substantial rehabilitation or replacement. In growth areas, existing infrastructure must be expanded and modified to accommodate new residents and new businesses.

Given this national perspective, what steps can the Federal Government take to help State and local governments meet their infrastructure needs? In other words, what should we do?

Mr. GEPHARDT. I think that, happily, we have in place a set of structures, mechanisms, and tools that have allowed us to meet similar challenges in the past. Certainly through the fifties, sixties, seventies, and eighties, we faced a country that had new growing areas, older areas that needed refurbishment, and the Congress and many members on this committee had the foresight to put together a Highway Trust Fund and an Airway Trust Fund, that together with local and State contributions allowed us to meet these challenges in a very forthright and successful manner.

I think that one of the major problems we faced in the last few years has been the willingness of successive administrations to want to be able to use the funds in those trust funds to be applied to the deficit so that the deficit numbers looked better. I think that was not the right policy. It is obvious to all of us that these are truly the only trust funds that have no other current revenues or general revenues in them.

When the people paid these taxes, they only wanted these taxes to go, and they were told that they would only go, to these uses. To now have monies built up in them that are not being used because of other reasons is, I think, the breaking of a contract with the taxpayers and people of this country who have put these monies aside.

I have no problem with ideas on the part of Secretary Skinner or others to put aside new taxes, new revenues to meet these challenges. If you look at what has happened in the States, including my State, they have been passing one bond issue, one tax increase after the other over the last eight or 10 years in order to meet their infrastructure needs.

What I think has to happen now is for the Congress to lead to see if we can free up more of these funds so that we can then go to the states and say, "If you will put up more money to do these things, we will pay our share. We will resume the partnership of the last 30 years and see that these highways and these bridges, airports and airway systems, are built. We will do our part."

I will support, and I am sure that a lot of people in the Congress will support, that kind of local and State revenues in our own districts. I have done that in the past and will continue to do that. But I think that in order to make that ring true, we have to resume our partnership. That is the deficiency that I see in the secretary's statement. That has been the deficiency in our own performance, and I include myself in the blame over the last few years. I think we have got to overcome that.

I have been talking to Members of the Budget Committee; I have been talking with other Members of the Congress about our changing those policies. We are not there yet. I do not come here today to announce anyone's position other than my own, but I really do believe that we are making progress and I think that, working together, we can find solutions to this use of these funds for purposes for which they were not put away.

The CHAIRMAN. Often when people think of the word "infrastructure," they think of pork barrel or potholes. Don't you agree that infrastructure is much more than that? What about economic productivity, growth, competitiveness? What about the quality of life which all Americans enjoy? Aren't these what infrastructure is really all about?

Mr. GEPHARDT. Mr. Chairman, I hate the word infrastructure. I wish we could have it stricken from the dictionary and from our language because I don't think anybody knows what it means. When most people hear "infra," they think of infrared or something else. They don't quite know what you are talking about.

When you say highway or traffic, people know what you mean. If you say airport, people know what you mean. I kind of like the term public structures. People kind of know what that means, although that is not really good either.

I really do think that we have to better explain all of this to people. I get sick and tired of reading articles about how Members of Congress are lobbying for some pork barrel project for their districts. I do not know of any road that has been built or any bridge that has been refurbished or any highway or airport that has been built that has not been to the long-term benefit of the people in the community in which it is built. I don't know of one. If anybody can mention one here today, I would like to hear about it.

I was down in New Orleans over the weekend at the DLC meeting and I rode by the dome they have down there for sports activities and saw all the roads that are around it. I was with someone from Louisiana and I said that I remembered that there were articles in the paper at the time this was built talking about what a boondoggle it was and what a rip-off of the taxpayers in New Orleans and Louisiana it was. There were so many roads that had to be built around it and the articles said it was a boondoggle and a big pork barrel project.

I said that I had not heard much about that lately. Then I asked what it had meant to the economy of New Orleans, and I almost had to shut the man up to get him to stop telling me what it had meant to the economic vibrancy of Louisiana and New Orleans.

We just do not yet have it on how to describe these things to people. I have a friend in Texas who is on the highway commission. They had 10 bond issues in Texas for highways that were refused by the voters by overwhelming majorities. He then went to a public relations firm and an engineering firm to have a study done on how much the average citizen in Texas would save if the ten cent or whatever tax increase was passed in terms of saved time in traffic and efficiency in moving products from one place to another.

They came up with an annual figure. Then they ran a TV campaign with these figures in front of traffic-jammed pictures for people, and they got 82 percent of the vote from the Texas taxpayers. I think that shows that the American people understand these issues if we explain them correctly, simply telling the truth and getting the media to stop characterizing these things in negative terms, which so often happens, instead of putting it in truthful terms so that people can really see what is in their own direct self-interest. Then they can see how paying this revenue, which they have been doing incidentally in the Airport and Highway Trust Funds, is in their own direct self-interest.

The **Chairman**. Thank you, Dick.

Mr. Hammerschmidt?

Mr. **Hammerschmidt**. Thank you, Mr. Chairman, and thank you, Dick, for a very powerful and supportive statement about what this committee is trying to do.

As you know, over the years spending from the Highway, Mass Transit, and Aviation Trust Funds, has been held down in order to make the Federal deficit appear smaller, which you mentioned, even though those trust funds can be used for no other purpose. That trend started with the impoundment of the Highway Trust Fund by Lyndon Johnson. Every president since then has continued that trend.

This new President comes in and says to the Office of Management and Budget, "I've got a $150 billion deficit problem. Should we take $30 or $40 billion out of the transportation trust funds? Should we begin to spend them?" OMB says, "Your deficit is going to be that much larger," so obviously, they have not done it. The Executive Branch has a problem.

Congress has a problem, too. The Depatment of Transportation says, "We have allocated all this money and we don't have any surplus." That is their basic line. But for example, in fiscal year 1990, the State of Missouri can only spend 58 percent of its Federal Aid Highway Funds because of the obligation limitation imposed through the congressional budget process. In other words, Missouri can not spend the $161 million in Federal Highway user fees that have been collected and distributed in the form of contract authority. Obviously, we have the same problem in Arkansas and they have the same problem in California.

In order to try to correct this injustice, our committee has led the charge to take the trust fund off budget. We have come close in recent years, but we have not yet been successful. I heard your comments, but I wonder if you want to comment further on what you see as the prospect for our being able to take these trust funds off budget in the near future. Would you please comment on that?

Mr. **Gephardt**. Let me first say that Senator Moynihan from New York has raised a very valuable argument on the Social Security Trust Fund that all of us are going to have to deal with in the next few months. I suspect that when the budget comes this time, at or about that time, we are going to have legislation on the floor that is going to take the Social Security Trust Fund out from under the Gramm-Rudman limits, freeing the Social Security Trust Fund from Gramm-Rudman in the budget.

When that happens, it seems to me that the next question that has to be asked and answered—and I am positive that we will have amendments on the floor at that time that would take other trust funds out from under the Gramm-Rudman limits. If you take them all out—as you know there are many other trust funds besides Airway and Highway—then you are talking about another $70 or $100 billion, I am told, although the Highway and Airway is only about $15 or $20 billion total.

I think there is a distinction to be made, in my own view. All of the other trust funds, especially Civil Service Retirement, et cetera, have general revenues in them, so you can make an argument that they should not be entirely freed. You can not make that argument about Highway and Airway. There is no money in these trust funds other than the dedicated tax paid by the users. So I think there is a great argument for doing it.

I also believe that if we are going to take Social Security off, then we are going to have to rearrange the Gramm-Rudman targets because no one I know of believes that we can reach balance in the budget by 1993 if you take Social Security out, which is the present Gramm-Rudman path. Everybody is assuming that when you take Social Security off, you are going to have to arrange some new targets, however you do it, whether they are deficit reduction targets or actual deficit targets year by year.

Some people say that you can do it by 1997. Other people say it can be done by 1995. Others even say it can be done by 1994. It depends on how aggressive and ambitious you are about deficit reduction.

It seems to me—and I speak personally now. I am not speaking for the leadership; I am not speaking for the Democratic Party and I am not speaking for anyone other than myself right now. It seems to me that what we ought to try to do is, as we take Social Security off, take off Highway and Airway and add another six months or another year or whatever it is, and rearrange those targets so that you can, as you take the one off, take all three off. Assuming you are going to set up new targets, that would then allow you to set new obligational levels in the budget for those two funds, which would be much more positive and realistic given the nature of the challenge that we face.

For instance—and you can correct me if I am wrong—I think that in the Highway Fund, about $15 billion will come in this year, whereas, in the budget, we are talking about spending $12 billion. I just think that is wrong when you are sitting on a balance that is now, say $15 billion, sitting idle in the fund. I do not know how we justify that to the taxpayers of the gasoline tax.

Mr. **Hammerschmidt**. I thank you very much for that response and for your personal view.

It may be too devastating to the general budget process and to our national economy to do all this in one fell swoop. We may have to find ways to spend down on it, but there have been a number of good suggestions offered.

The aviation people that run airports, AOACI, have suggested that they take trust fund money and leverage it and have bond issues, using it for collateralized bonds—all those sorts of ideas are floating around. As we develop them, I am delighted that we can depend on you as a member to support us, and I hope you will do that with your Majority Leader's hat on in time. I know that you don't make that decision alone, but it sounds very hopeful and we are delighted that you are here this morning to support our efforts.

Thank you, and thank you, Mr. Chairman.

The CHAIRMAN. Mr. Oberstar?

Mr. OBERSTAR. Thank you, Mr. Chairman. I will not persist long because if all of us took our five minutes, we would be here for two hours with the Majority Leader.

I do want to compliment you, Dick, on a splendid, comprehensive, thoughtful statement, a rational consideration of a major national issue. It deserves that attention and your presence here today gives it that attention and stature. It gives it the thoughtful consideration that you bring to debate on all of the matters that we consider.

Just a couple of observations—infrastructure was a word I learned in graduate school in Europe 33 years ago, and I had to say in French. It's difficult enough to say it in English. It's a lot harder to say it five times in a row in French. So let's call it public capital or public investment. Let's call it public productivity because that is really what it means and what it does.

Secondly, on the Interstate Highway System, again, Eisenhower's carrying out of the idea was really a following of a directive of Congress in 1944 which directed a study of a 44,000 mile road network, which had to be sidetracked for a time because of rebuilding the rest of the economy. Eisenhower appointed the Clay Commission, which then modified that idea and came up with 42,500 miles, and then said, "Let's do it in the name of defense."

I think we have to stop the charade of calling public investments good and valuable because they are done in the name of defense. We ought to do them because they are good for America, good for our economy.

Eisenhower did put three points in his message to Congress: relieve congestion, stimulate economic development, and reduce highway deaths, which were then around 40,000 per year. If we did not have the Interstate Highway System, today we would have about 105,000 or 110,000 people dying on the Nation's highways annually. Those three goals are still valid today: economic development, safety, and ending congestion. They are more pressing today than they were in Eisenhower's years.

Taking the funds off budget is valuable and useful so long as we also take them out of the clutches of annual obligation ceilings. Those trust funds have to be able to spend out their annual net cash flow or they do not mean very much. Your road map to get us going in that direction, I think, is a good one. We can not do it all in one fell swoop; it has to be gradual. We have to include in our budgeting a means for accounting for the non-trust fund deficit that will result from taking those funds off budget, and doing it in a gradual fashion is good budget practice, good economics, and good public capital investment.

Thank you.

Mr. **Gephardt**. Just an added point—I don't know if any of you have looked at Senator Sanford's plan on the budget. I read about it the other day and it is very interesting. He says that if you take Social Security off and then isolate the money that we pay as interest on the national debt, you wind up with what is an operating budget. I think he includes Airway and Highway in it, although I am not sure about that. If you did that, you would almost be at a surplus this year on what is the real operating budget of the United States.

I think you ought to take Airway and Highway off as well as Social Security. Then you would maybe have a little less surplus or maybe an imbalance in the operating budget. I think that would give Americans a clearer picture of what is happening in the budget.

The huge outlay now, as you all know, is interest on the back debt. It is about $180 billion per year. That is where our deficit is. I think that would make it a whole lot clearer. Getting this off, I think, gives people a clearer picture of what is actually happening.

The **Chairman**. I know that Congressman Gephardt has to leave in five minutes, so any other questions must be brief.

Mr. Shuster, any questions?

Mr. **Shuster**. Yes, Mr. Chairman.

First of all, Dick, I want to compliment and applaud you for your superlative statement. I think it is absolutely right on target. As you well know, we had three votes over the past couple of years in the House on taking Aviation and Highway Trust Funds off budget. In those votes, the vast majority of Republicans supported doing it; the vast majority of Democrats opposed doing it, including the entire membership of the Democratic leadership. Those are facts and I don't think we ought to put them under the rug.

The thing that just absolutely encourages me is to hear you say that you personally support taking the Highway and Aviation Trust Funds off budget because I think that our chances for getting more money for these programs is absolutely zero until we take that step. And I think that the fundamental solution to our problem, obviously, is more money. The only way we are going to get it is through a bipartisan effort.

I would be quick to acknowledge that we have an educational job to do with some of our friends in the Administration. If we make this a partisan issue, it is going to be very difficult painting the Administration into a corner. It is going to be very difficult to achieve the end result.

I just wonder if you, as the Majority Leader, would be willing to make it a priority project to work for a bipartisan infrastructure program?

Mr. **Gephardt**. Absolutely. I do not see any way that we can achieve our goals without that. That is the way that this committee has worked so successfully through the years.

This is not a partisan issue. To me, there is not really any basic disagreement that I am aware of about building the public investment of our country. I do think that there is a disagreement between people who have different views of the budget and the way the budget ought to work. We are going to have to go through that disagreement. My perception is that we are going to do that this year, and we ought to do it in a bipartisan way.

I understand the view of those who do not want to take it off and they have legitimate, strongly-felt feelings. But let's have the debate on that; let's make a decision on it. I agree with you that until we do it, we are not going to be able to rebuild the country.

Mr. SHUSTER. In closing, I want to compliment you again and extend the hand of help and support to you.

Mr. GEPHARDT. Thank you.

The CHAIRMAN. Bud, what I was going to comment on is that with his remarks, I think he qualifies as an Honorary Member of the Public Works Committee.

Mr. SHUSTER. Absolutely; I'll vote for that.

The CHAIRMAN. Okay.

Mr. Rahall?

Mr. RAHALL. I have no questions of the Majority Leader. I simply want to commend him for providing excellent testimony this morning. He has identified the problems correctly as well as realistic solutions to those problems.

By supporting the removal of these trust funds from the unified budget, you are supporting honesty with the American people, as the gentleman from Minnesota mentioned. If we can spend that money for the purposes for which the American people thought they were paying these taxes, we are being honest with the American people about the true deficit size of our nations.

I commend the Majority Leader for his support of removing trust funds —the unified budget and for his support of using American taxpayers' money to address infrastructure needs in this country. Dick, good statement.

Mr. GEPHARDT. Thank you.

The CHAIRMAN. Mr. Clinger?

Mr. CLINGER. Thank you, Mr. Chairman, and thank you, Dick, for your approach to this issue. It is a very bipartisan, very welcome approach. This committee certainly approaches the infrastructure crisis in a very bipartisan way, and we applaud that.

The Administration has proposed in their budget a beginning of a draw-down on the Aviation Trust Funds, not perhaps to the extent that this committee would like, but at least they do propose that. I think that even if we draw down the entire trust fund, there are clearly major needs over and above what the trust fund is presently generating. So the Administration has proposed user fee increases in this budget in terms of the passenger facility charge, increase in the fee on tickets, and so forth.

Could you comment on that? Would you support that kind of thing, recognizing that the trust fund is not going to meet the whole need as presently structured?

Mr. GEPHARDT. I understand well their position on those other fees and I have said early and often that I would support a head tax; I would support all kinds of things if— and this is the major condition—if we have a clear path to getting these funds out from under the constraints of the budget and if there is a clear, definite, concrete plan that will spend these monies out.

The reason I say that is that I was on the Ways and Means Committee back in 1983 or whenever we did the big gas tax. I remember sitting in the room and asking then Secretary of the Budget Stockman: if we voted for this tax, would the monies be spent out for mass transit, the penny that went for that? Would there be new-starts on mass transit? I asked if the money would be spent on highways. We were assured that it would be. It was not.

So before I am ready to vote for any revenues, taxes, ducks, whatever you want to call them—and I am willing to do it if it goes for infrastructure—I want to see a concrete plan for the spending out of these trust funds. I am not for adding more to mask more deficit.

Mr. CLINGER. Thank you.

The CHAIRMAN. Those were the second bells, but maybe we can have Mr. Bosco very quickly.

Mr. BOSCO. Very quickly, Dick. I will call over and see if they will hold the vote given that you are here with us. [Laughter.]

You touched on something that I think is appreciated in this committee. We are reauthorizing $125 billion or so for the Highway Trust Fund. Members of Congress have come before us, each with projects in their districts, and the media seems to prefer a fairly sterile system whereby we just hand this money out to the different States and they use it as they wish, and anything other than that is considered pork barreling on the part of Members of Congress.

You seemed to indicate that Members should play a role in this, that their ideas on their districts and planning for projects in their communities has importance. To what degree do you think that the Congress and this committee should pay attention to the proposals that individual Members of Congress bring before us?

Mr. GEPHARDT. I think you should. I do not know of anyone who is better in touch with the needs of their districts than the Members of Congress. That is what we are paid to do. We are out there almost every weekend listening to people and finding out what their needs are.

In my own State, my own district, I had to go to the State Highway Commission, which I did on Highway 21. I was responding to the heartfelt worries of parents. They had put signs up on the highway that said that "Blood Alley" was the name of this highway. When we went to the State Highway Commission, they had other ideas of what they wanted to do, but I was able to get them to pay attention.

If you can not have some say in how this money is spent, then I don't know who should. Knowing that you still have to go through your State process and your local process, I don't see that it is any problem that you are able to earmark and make statements in bills and put language in bills that moves things in a certain direction. I think that is what you should do.

Mr. BOSCO. Thank you very much.

The CHAIRMAN. We better recess. I am told that there may be a second vote. I hope we can be back by 10:40, but it may be a little longer.

Let's go vote now and get back as quickly as we can.

Thank you very, very much, Mr. Gephardt, for an excellent presentation.

Mr. GEPHARDT. Thank you, Mr. Chairman.

[The prepared statement of Mr. Gephardt follows:]

Testimony of Representative Richard A. Gephardt
Majority Leader - U.S. House of Representatives
Before the Committee on Public Works and Transportation

March 29, 1990

Chairman Anderson, Congressman Hammerschmidt, thank you for allowing me the opportunity to appear before the Committee today as you begin to examine America's infrastructure needs. You are taking on an ambitious task in holding these hearings as you examine solutions to the many problems in containing America's infrastructure. I commend you for leadership.

It has been said that "a great civilization is not conquered from without until it has destroyed itself from within." This truism speaks volumes about the crisis situation you are exploring today. America now stands at the crossroads: we can either chose the path of disinvestment in the physical structures which encompass the fiber of our economy or we can address the problems of failing infrastructure while they are still at a manageable and somewhat affordable level.

The relationship between economic strength and level of capital investment has been understood for years. We know that severe economic consequences are directly related to traffic congestion and airport delays. So its hardly a revolutionary notion to suggest that unless the decision is made to invest in capital improvements sooner rather than later, a decline in the country's physical capacity will be coupled with a decline in economic growth, and ultimately, a declining standard of living.

The impact of this is far reaching. It even effects competitiveness in international markets. During a period when both Japan and the Western European countries are expanding economically, they are increasing their share of capital investment in relation to overall GNP. The United States, in a period of burgeoning trade deficits is actually reducing its share of capital investment with respect to overall GNP. The United States now ranks 55th in the world in capital investment in infrastructure as a percentage of GNP. How can we expect to market our products half the way around the world when we cannot efficiently transport our products around town? We cannot allow this drain on economic capacity to go unchecked.

At this point, let me turn to specific modes of transportation to understand exactly what we need to do better --

First, on Highways -- As we commemorate the centennial of the birth of President Dwight D. Eisenhower, that we remember his role in creating the federal interstate highway system. In 1955, he proposed a visionary plan to construct a highway system covering 42,000 miles linking every major urban center in the contiguous United States. Eisenhower had carried this notion around with him since his early days in the army during World War I. He recognized the necessity for having a system in place which was efficient for transporting and mobilizing troops. He recognized that economic security as well as military security are linked in efficient interstate system.

When finally implemented, Eisenhower's plan set up the Federal Highway Trust Fund financed by a three cent per gallon gas tax. The Federal Highway Administration was set up to administer the fund. Today, almost all of the Federal Highway system, as Eisenhower envisioned it, is in place. In the last 35 years, over $100 billion has been funneled through the Trust Fund system to finance the federal share of our system of roads.

We cannot rest on our laurels, however. In the next 30 years traffic is expected to double its current volume. This includes interstates, inner-city streets and rural routes. To put this in perspective, in 1989 Americans travelled more than two trillion vehicle miles, more than three times the traffic at the inception of the federal highway system in 1956. Every American who regularly sits in traffic on their way to or from work should be disturbed by this trend. For most motorists these days, "rush hour" is an oxymoron.

The federal highway system in the 1990s should evolve in a symbiotic fashion with shifting demographics in and around growth areas. There are some communities which are experiencing unbearable traffic snarls simply because there may be only one thoroughfare providing access to an interstate. The City of Festus, Missouri in St. Louis County is dealing with a problem of just this nature. Because of a narrow, two-lane overpass on Route 21A leading directly from nearby Interstate 55, it creates chronic congestion problems that local residents must fight daily.

Traffic volume isn't the only issue at stake, however. The nation's growing bridge crisis is an area of concern that is worthy of mention here. Almost half of the country's bridges are deemed structurally substandard. And I am alarmed to tell you that in the State of Missouri, almost 70 percent of the bridges are considered substandard to some degree.

Another area that has experienced meteoric growth, especially since deregulation, is the aviation system. I know this because I have been in every major airport in the country in last few years -- some of them many times over. I could never even begin to estimate the amount of time I have spent in my life waiting in terminals, on the tarmac, or hovering in holding patterns because of congestion.

According to a recent industry study, the price tag to improve airport capacity to keep pace with demand is over $50 billion over the next five years. Today 21 airports, including my home town airport, Lambert Field in St. Louis, experience an average of 55 hours of aircraft delay every single day of the year. Without major capital improvements in the next few years, the Federal Aviation Administration expects chronic delay problems in over forty percent of the nation's commercial airports. This would affect eight out of 10 people who fly in and out of U.S. airports.

There are efforts being made by local planners to meet these demands. In Denver, the first new airport to break ground since 1974 is currently under phase one construction. But it is the only new facility now under approval by the FAA.

There are also substantial expansion projects now underway at existing facilities. St. Louis Lambert Field currently has a proposal pending before the FAA to add three new runways and expanded gate facilities. Approval of the project would infuse an estimated $4 billion into the local economy annually. Without it, the airport will choke on a capacity problem that is expected to almost double in volume within 20 years.

As demands on transportation systems increase, finding innovative ways of managing them is imperative. Mass transit planning is one of the most effective ways to deal with congestion in urban areas. Not only is there a benefit in reducing the strain on congested roads, mass transit policy is good policy in the area of energy efficiency, and clean air. While there are few new-start projects under way right now, there are a couple in the works: like the Los Angeles metro, and the St. Louis MetroLink, which will begin ground breaking very shortly.

Mr. Chairman, now that I have laid out a litany of infrastructure deficiencies, let me finally leave the Committee today with a more positive assessment of America's potential.

As we begin the decade of the nineties, we have an opportunity to put the focus on critical areas for improvement. As I said earlier, I applaud the essential work you and the Members of the Public Works Committee are doing in these various areas. I would also like to state that Secretary of Transportation Skinner has been instrumental in framing the dialogue on transportation needs. His national transportation proposal released earlier this month shows great depth in describing areas that we need to address.

However, I disagree with the Secretary's conclusions. I don't believe we can address the nation's needs through the fragmented prism of state and local financing and forsakes the federal share of the responsibility. I think it is imperative that we honor that responsibility. The public deserves better support for quality infrastructure. We have an obligation to do more than taking a peripheral interest in how these systems are developed and improved. Rebuilding America in the 1990's is an awesome task. There will be no easy solutions.

In closing, I thank the Committee for inviting me today and I look forward to working with you in the coming year.

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[Recess.]

The **Chairman**. The committee will come back to order.

At this time I would like to welcome the House Minority Whip, the Hon. Newt Gingrich. Newt is no stranger to this committee. Until his election to his leadership position, he was the Ranking Minority Member on our Aviation Subcommittee.

He has provided valuable leadership in the area of infrastructure and we look forward to continuing to work in a bipartisan fashion on this essential national issue.

Bud, I'll bet you would like to say something.

Mr. **Shuster**. I want to welcome our good friend and colleague from the committee. There is that TV show, "Can you Top This?" Well, we had the Majority Leader here a few moments ago and he had some very, very positive, encouraging things to say about supporting the efforts of this committee.

Now, we turn to the distinguished Republican Whip because I know he can top that.

TESTIMONY OF THE HON. NEWT GINGRICH, A REPRESENTATIVE IN CONGRESS FROM GEORGIA

Mr. **Gingrich**. Let me first thank the committee for letting me come over here. As you know, I am on leave while serving as Whip.

The **Chairman**. I was hoping you would point out that I walked all the way back with you to make sure that we had you here.

Mr. **Gingrich**. A most prestigious escort, the Chairman of this Committee, who ensured that I got off the Floor and away from the list of members who needed things done.

I also want to welcome Susan Molinari. I served with your dad, and it is wonderful to have you here.

I also want to commend Dick Gephardt. I sat through virtually all of his presentation. I read his statement and I thought it was appropriately bipartisan in the tradition of this committee, and I thought it laid out the general direction in a good way.

There are enormous, even dramatic, infrastructure needs, public safety and health involved in things like unsafe bridges, requirements of the aviation system, waste disposal problems, quality of life involved in things like rush hour traffic in our major cities, and competitiveness in the world market. If our transportation system collapses, we are not able to compete in the production of goods and services.

Our needs are so great that we must rethink from the ground up what we need and how to approach those needs. For just a couple of minutes, I want to risk sounding professorial and academic and ask my colleagues in this committee to indulge me. I would like to suggest a few principles for the committee, the staff, and the interested public, for approaching the challenge of infrastructure in the nineties.

I served actively on this committee for 11 years. One of our problems, it seems to me, is to develop a pattern that will in fact attract public attention, become politically, overwhelmingly desirable, and will, therefore, get implemented so that we change the pattern of infrastructure investment in the United States.

To do that, I want to suggest that the committee approach the whole question of infrastructure for the 21st Century from the standpoint of a planning model of four points. At the top of this model is vision. What is our vision of a competitive, safe, healthy, quality of life for America as it relates to infrastructure?

Then, what are our strategies to achieve that vision? Then, having carefully thought through our vision and strategies, what are the specific projects that we ought to support and what are the tactics that we ought to implement on a daily basis? I think what happens to us in infrastructure is that we get so tied up in a specific tactical detail, this interchange, this bridge, this waste water treatment plant, that we don't spend the time and energy necessary to develop at the vision and strategies level a general public understanding of where this country is.

I want to talk for just a few minutes at the vision level of how we must reorganize, because I think we are at the end of an era. The world market, the technological revolution, and the collapse of the bureaucratic welfare state as a delivery system, I think, has put us into a new era. At the risk of sounding professorial, I want to cite for those people who are really interested in digging into this, that if you read Peter Drucker's "The Age of Discontinuities," Alvin Toffler's "The Third Wave," a book that Mary Anne and I wrote called "Window of Opportunity," Hernando de Soto's "The Other Path," and in particular, the introduction by Mario Vargas Yosa, who is the poet laureate of Peru and is now the front-runner in the race for President, Paul Johnson's "Modern Times," Salem's book, "New York Unbound," or Nesbitt's "Megatrends 2000," you will find that all of them describe a very similar pattern, that we are at the end of an era of behavior and we are in a transition, entering a new era.

One of the documents that I would ask permission to put into the record that I think helps summarize this in a relatively few pages is a speech by Jim Pinkerton, Deputy Assistant to the President for Policy Planning. It is a speech he gave to the World Future Society on February 8, 1990, entitled, "The New Paradigm." I suggest this to every interested citizen because Pinkerton, who really does, I think, the long-range planning for George Bush more than any other single person, has worked very diligently to try to put together a way of thinking about where George Bush wants to carry us.

I think that the odds are fairly good that George Bush is going to be President for almost seven more years. So it is useful for us as we develop an infrastructure strategy, to understand where he is trying to go and then to get him to carry our infrastructure strategy with him, rather than getting involved in a head-on fight.

Pinkerton suggests five specific principles of what he calls the new paradigm or new model. First is that government is subject to market forces in a way that it did not used to be, that because of the rise of the world market, capital can flow so quickly that countries that are smart attract new money, countries that are dumb lose money.

I would suggest, for example, that you look at what is happening right now with the yen and dollar relationships despite the best efforts of the Japanese Central Bank. I also suggest you look at some of our biggest cities which raise taxes and lose business. You look at the way in which people make decisions about where to place their next company or their next factory.

Secondly, the Bush revolution will focus on increasing individual choice, that wherever possible, we are going to want to maximize individuals' choices about what they are doing. Third, since a lot of people do not have adequate resources themselves, we are going to want to empower people so that they have the resources to make choices.

For example, if you look at today's debate on child care, both the liberal democratic bill and the bipartisan, more conservative bill have very strong earned income tax credit provisions. Both of them are a new approach to getting money directly into the pockets of parents rather than the more traditional bureaucratic welfare state approach. Again, as you approach infrastructure and transportation, you may want to look at this empowerment issue in that context.

Fourth, Pinkerton argues that decentralization is going to play a very, very major role, that as much as possible, we are going to recognize that whether it is Albany, New York for the State of New York or it is Atlanta, Georgia for the entire State of Georgia, or it is Washington for the entire country, that the more centralized decisions are, the less likely they are to be responsive in real time to what is happening. In a sense, what Gorbachev has discovered in the Soviet Union with Perestroika, that you can not run a command bureaucracy in the age of the information revolution is as true for the United States as it is for Russia.

In that sense, to our newest member I would say, it is better for Staten Island to decide its fate than for City Hall. It is better for Brooklyn to decide its fate. We are in fact reversing the trend which began in the 1890s when the boroughs came together to form the Greater City of New York.

Finally, it is Pinkerton's assertion that the new paradigm will emphasize what works, that it will look around the country and take specific examples of what is succeeding. Let me suggest—and I would like to ask to enter this in the record, also—that if you look at pages 171–180 of the President's budget, it is a chapter by Dick Darman entitled, "Advancing States as Laboratories." (See page 50.) He walks through in this chapter, which has not been read by many people, a section on transportation, a section on education, a section on combating poverty, a section on health, a section on the environment, a section on child care, and in each case he lists examples of experiments underway around the country at finding new approaches that work.

In the President's one page introduction, it seemed to me that the President raised themes that fit precisely our commitment to infrastructure. (See page 49.) There were five of them. First, investing in our future. I think that precisely what public works is about is investing in our future.

Second is advancing States as laboratories, and that goes to the point of decentralization. Third is reforming mandatory programs. I think that goes to choice and empowerment. Fourth is acknowledging inherited claims. Let me state that those inherited claims include our current solid waste problem, our water needs, our transportation requirements, as we complete the Interstate System of maintaining that system, and finally, managing for integrity and efficiency. There, I think, all of us who want adequate infrastructure have to recognize that all too often the bureaucratic welfare state has not been successful in developing that.

To summarize, we are working on a nonpartisan model of this change, building upon Pinkerton's new paradigm model, and on May 19th, we are going to have an hour-long television show outlining that model. Essentially, it can be summarized as applying common sense focused on success and opportunities. Let me apply these principles very briefly to infrastructure.

I think the committee should start at the vision level and should try to solve four questions. First, what does public safety, quality of life, and the requirement to compete in the world market for jobs and pay require in infrastructure? This country has to be made to confront the scale of investment that the next 20 years will require if we want the kind of America that we need.

Second, how do we invest in research and development and technology to meet those needs with both private and public research and development? Here, what I mean if I may be candid is: I think that all too often when we say infrastructure, we mean building highways the way we always have, building water systems the way we always have, building more landfills, but I will give you five quick examples.

Electronic highways are going to have more and more people working at home and accelerating the development of those electronic highways may do as much to simplify Los Angeles at rush hour as the next two lanes of a super highway. The whole development of the V-22 and the development of vertical takeoff and landing aircraft, developing a next generation, very short commuter system, may have a tremendous impact on short distance commuting in places like the Northeast.

Third, we have to have a strategy that emphasizes recycling to minimize solid waste buildup. Frankly, that means that we on Public Works have an obligation to draw in Ways and Means and to draw in Science and Technology to develop a unified effort to shift the advantage in the market place toward recycling and away from other systems.

Fourth, we need long-term low repair construction techniques. The next generation of highways and bridges ought to be a quantum leap in terms of our construction capability, at least comparable to the changes we see in aircraft and in cars. Currently, we see very little dramatic change in construction capabilities. Finally, we have to investigate things like using magnetic levitation in the northeast corridor, Florida, and southern California to give us the kind of high speed future we want.

As a general principle, how do we maximize entrepreneurial free enterprise and a decentralized market-oriented force both to generate capital for investment and for management? I would suggest, for example, that the FAA's management of the NAS plan starting with its failure at the architectural design level, is an example of the fact that very often big government simply does not get the job done very well. I think that one of the things I would hope that this committee will take seriously is producing not necessarily the Skinner version but what the Congress' version ought to be of a much more market-oriented, much more entrepreneurial, and much more decentralized system of creating new opportunities for infrastructure development.

For all of the 19th Century, most of American infrastructure was privately developed. It is only in the 20th Century that we decided that model did not work. I think that there are at least grounds for experiments on a fairly grand scale, and we want to think through how to legalize those and empower them.

Finally, how can we develop a 10 or 20 year commitment that is inclusive in terms of scale but is decentralized and flexible in implementation? The genius of the Eisenhower model that Dick Gephardt cited was that he said here is one program with one funding source which will go on permanently until it happens. So for over 20 years, we have built the modern highway system.

Let me suggest that in a sense what we want is the 1990's investment in American safety, convenience, and competitiveness to create the 21st Century quality of life we want. Somewhere in some kind of large overview title, we have to bring together everybody who cares about solid waste, everybody who cares about water, everybody who cares about transportation in all of its various forms, and create a coalition that understands that investing in infrastructure is as important to America's future as any other investment we will make.

Let me close with this one specific topic because I suspect that it is one you will ask me about immediately. I believe that we should focus a lot of energy on tying any trust fund and Gramm-Rudman changes with Social Security to infrastructure. I think it is fully as legitimate for the trust fund payer, who is after all paying for an investment in their convenience, which is what made it different from normal general taxes—it is just as legitimate for that person to complain about their trust fund being used as it is for the FICA taxpayer to complain about the FICA Trust Fund being used.

I would hope and I would support an effort that said, if we are going to modify the Gramm-Rudman targets to recognize that we are taking Social Security off budget, and we are going to modify the Gramm-Rudman targets to get to a balanced operating budget, then we ought also to take the transportation trust funds off budget and put them in a place where they could be spent as a true capital budget for the first time and get us back to the pre-Lyndon Johnson approach where the capital budgets are clearly seen as different and the trust fund budgets are seen as different than the daily, annual operating budget of the Federal Government. I would be very supportive of this committee if it decides to move in that direction.

I appreciate your allowing me to give you a general framework of thought. This is a great opportunity for me and I am very grateful.

I will be glad to answer questions. Thank you.

The **CHAIRMAN**. You almost answered the question that I am going to ask you, but I want to develop it a little bit.

Earlier, we heard Dick Gephardt pledge his personal support to work with the Congress in taking the transportation trust funds off budget. Can we count on you to work with the Administration to join in this effort?

Mr. GINGRICH. I am very committed to working personally. I will do all I can to convince the Administration that this is the right way to go. As a member on leave from this committee, I would feel very, very bad about having to walk back in this room not having done something that I believed in and worked for for 11 years.

The CHAIRMAN. I have not let you off of this committee entirely.

Mr. GINGRICH. I know that I am only on leave and I intend to return. This is a position that I have been very forthright in, Mr. Chairman, in bills that you and Mr. Shuster have cosponsored. I have worked strongly on this issue before. We have had very good test votes on the House Floor and have come very close.

I believe as strongly in this issue today as I did two years ago. I will do all I can to help you, and I would fight for a rule to make an order—one vote—that whatever we do on Social Security also applies to the trust funds.

The CHAIRMAN. Mr. Shuster?

Mr. SHUSTER. Thank you very much.

I have no questions. I just have the greatest regard and respect for our colleague and appreciate his testimony today.

The CHAIRMAN. Mr. Oberstar?

Mr. OBERSTAR. Thank you, Mr. Chairman.

I want to thank our colleague and now distinguished Minority Leader for lending the stature of his office to the effort of this full committee on the broad general issue of infrastructure or public capital issues that are encompassed and envisioned in this whole series of hearings.

I recall very well the hearings that we chaired together in the Investigations and Oversight Subcommittee that, in a sense, laid the groundwork for this continuing effort. I appreciate the very strong commitment on the capital budget's trust funds off budget.

I would say off budget with a plus, however, without the meddlesome hand of the Appropriations Committee to impose obligation ceilings. It does not serve the purpose of those trust funds if the Appropriations Committee can then impose limits on how much money can be spent rather than allowing the free flow of demand on the current annual cash flow of the trust fund for the purpose for which it is intended.

If I remember correctly back to the Johnson era, President Johnson put limits on the amount that could be spent out of the Highway Trust Fund because of his concern that construction was heating up and driving inflation. He imposed obligation ceilings, which have subsequently been used for other purposes. Why we pick on one sector is beyond me, but I think it is self-limiting to say that we will take the trust fund off budget but it will still be subject to the overall limitations of the Appropriations Committee.

I would like to have the gentleman's response to that.

Mr. GINGRICH. It seems to me that this would have to be crafted carefully so that the law as enacted was quite clear on it. To eliminate the Executive Branch's limitations as part of a unified budget only to replace it with an Appropriations Committee limitation would be self-defeating. The purpose here is to say that the trust funds are paid into in order to rationally, in a managed way, invest in infrastructure at the optimum return on the dollar invested. It ought to be done almost as an engineering technical problem of what is the rate of spend-out which gets us the most infrastructure per dollars spent.

To politicize that in order to meet some kind of annual budget cycle is nonsense, in my judgment.

Mr. **Oberstar**. Thank you, I appreciate the gentleman's response. He sees the issue in a viewpoint I share.

I don't want to allow to pass the obiter dicta of the gentleman on individual choice, decentralization, electronic highways, long-term low repair construction techniques—some of those are well-intentioned thoughts that the gentleman has, but if we decentralize the highway program anymore than we have, we will be back to 13th Century England when each landowner was responsible for the patch of route in front of his or her property. I don't think we want to carry decentralization that far. The degree of decentralization that we have in the highway program today is probably sufficient. In some cases, maybe it goes a little too far.

Mr. **Gingrich**. May I comment on that?

Mr. **Oberstar**. And I am for electronic highways, but I do not think it is going to eliminate congestion. My wife operates a small consulting program with a fax machine and computer and telephone, and she can do it out of her home. In that way, she removes one person from the highways, but I think it is going to take a little bit more than that to reduce congestion.

Mr. **Gingrich**. I am not suggesting a panacea. What I am suggesting is that—historically, if you go back to the 19th century and look at how some of our committees were set up, they are very interesting because they refer to a world that is now gone. Committees that were once very important do not exist anymore. You can imagine, for example, that at the beginning of the rise of the railroad, the Conestoga wagon folks did not quite understand whether or not this was an important enough issue to worry about.

All I am suggesting is that as we think of infrastructure, then we ought to think of the totality that is possible in the early 21st century and we ought to recognize whether it is encouraging Northern Minnesotans to compete in the world market electronically as well as physically—again, Mr. Shuster knows vastly more about this than I do and was quite successful in a prior career at using some of these breakthroughs in a way that has been helpful to his entire life.

All I am suggesting is that I think your staff and you have a unique moment in time here, to help America think about the next 20 years. You should think as broadly as possible.

On decentralization, let me give a specific example that relates directly to this committee. We had a nine month fight with the EPA Regional Office to get a dam built which had been designed according to EPA specifications before they changed it. We had to go back through the whole mess.

When we have bureaucrats who are now so bound up in red tape that you can get the Corps to agree to something, get EPA to agree to it, and then Fish and Wildlife isn't sure, so you suddenly wind up in a total mess where your local officials come to you and say, "Why would you run for county commission to spend the rest of your life being frustrated by some guy who never won anything, has never been in my county, and whose only relationship to us is that he checks the box that says not approved?"

I was thinking of infrastructure not just at the highway department level, but the totality of where I think you are looking at infrastructure. There are places where maybe the Federal Government has overreached in the level of paperwork and the level of decision-making that have been taken away from local officials. That was my only point.

Mr. **Oberstar**. The conflict resolution mechanisms of the kind that we ultimately worked out among the four agencies, Mr. Clinger and I in the I&O Subcommittee, to resolve questions of that nature in wetlands definition and regulation, are a way to achieve that goal.

Mr. **Gingrich**. Exactly right.

Mr. **Oberstar**. I am glad the gentleman clarified.

Mr. **Shuster**. Would the gentleman yield?

Mr. **Oberstar**. Yes, happy to.

Mr. **Shuster**. Apropos of Mr. Gingrich's remark, at the turn of the century when Congress appropriated $100,000 for aviation research for the first time, John Jacob Astor said it was an absolutely disgraceful waste of the taxpayers' money because everyone knew that aviation would not be good for anything except circus stunts.

Mr. **Oberstar**. There have been shortsighted observations of that nature throughout our history——

Mr. **Gingrich**. I rest my case on Mr. Shuster's brilliance.

Mr. **Oberstar** [continuing]. But the gentleman from Georgia would never subscribe to such a narrow view, however.

Thank you.

The **Chairman**. Mr. Hancock?

Mr. **Hancock**. No questions, Mr. Chairman.

The **Chairman**. Mr. Nowak?

Mr. **Nowak**. Thank you, Mr. Chairman. I just want to welcome our colleague before the committee and say that his interest in this area is welcome as we try to put together a broad infrastructure package. My Subcommittee on Water Resources has been involved with that issue that you just mentioned on the wetlands, trying to get a definition of what is a wetland and trying to bring those agencies together so that they work in concert and not at cross purposes when developing a good program in a specific area.

I just want to mention one overall kind of concern I have had because I think it bears on this whole infrastructure problem in the budget when we look at the overall deficits that we found ourselves in. As you know, we do not keep a capital budget separate. The comparison is always made that the States and local governments have "balanced" their budgets. What they don't state, however, in that balancing is that they paid the interest on bonds that were issued for everything from state dormitories for students to jails to office facilities and other capital projects in their States or in their cities and where we carry out a check, if you will, when a project is completed and pay off a general contractor who hopefully pays off some of the subs and gets that road or that bridge completed.

That year, we are out of it. We have no "bonded indebtedness" to carry forward. That all becomes enmeshed in the general deficit that everybody looks at, yet when I have talked to some of the "Big 8" accounting firms, they will state that we really should divide the capital up. If you looked at everything that we built that is going to last more than one year that is not O&M, you are probably talking in the area of $60–$70 billion if you include the military construction. I suppose a tank is going to last for more than one year. Certainly the bridges and the vast amount of public treatment plants that were built to a large degree with Federal money, are still operating and will operate for perhaps 30 to 40 years and then some with re-tooling at varying intervals.

The point I am making, of course, is that if we took away the investments, the pure, hard dollar investments we made in our economy and in infrastructure in long-term projects, our deficit would not have the glare to it, at least the straight number amount, that it would if you don't consider the capital investments you have made. We are still struggling, I think, to find a way to even that out and have the Administration look at a capital approach so that we can get a truer value on what our "operating deficit" really is.

As General Motors builds their new plant in Tennessee—they did not pay for that in cash. They went out and bonded it, yet we make that comparison in the private sector. I think that we have to really start to realize that there is a difference in capital Federal expenditures and operating expenditures.

I hope that we will be able to make some efforts in a bipartisan way to bring about that kind of focus. I think it would really give everybody a much better picture of exactly where we are in this country and what we are going to have to do to the infrastructure and the difference between a Federal long-term expenditure or investment and another program that is out there being consumed every fiscal year.

Mr. GINGRICH. If I may respond—I think that Mr. Nowak is exactly on target. First, there is no business firm in America that would use this kind of system. It is a crazy system to use.

Second, the way the current system operates, it is biased against long-term investment because it overvalues the cost of long-term investment and undervalues the cost of recurring things. It builds in a bias against the next highway, against the next water project, in terms of its true payout, which may well be 20 to 40 years.

Third, I think it would be very helpful in moving the Administration in the right direction to have some folks put together the right kind of capital budgeting bill, to go to the Big 8 firms and say, "If we are going to be in favor of entrepreneurial free enterprise, how would you design Federal capital accounting to amortize it?" I think that kind of bill might well be a bipartisan project and might in fact give the Administration something to work on that they have to think about intellectually and respond to.

Mr. NOWAK. I would be happy to join with you in trying to devise that kind of enquiry and see where we go. I am sure that my staff and the staff of Public Works would be more than willing to join in that effort as soon as we could possibly have a dialogue about it.

Mr. GINGRICH. Good.

Mr. Nowak. Thank you.

Thank you, Mr. Chairman.

The Chairman. Are there any other questions?

Mr. Bosco?

Mr. Bosco. Thank you. I will be brief. I know that Mr. Gingrich has other business, especially today when we have so much important legislation on the Floor.

I feel, Newt, that you have struck upon an extremely important point with the amount of time and money that is spent in these duplicative and excessive regulations, some by the Federal Government, some by the States, some by both. Last week or so, we had a number of the State highway directors before us and I asked them: of the money that we appropriate to you, how much is spent in those types of regulatory morasses? They said that amount was 25 percent of the money. We are talking here about a maybe $125 billion bill, so over 25 percent of that is going to be spent not paving a single inch of road or tarmac for an airport or whatever.

Do you believe that it would be wise for us to consider allowing a State preemption in this regard, that when we decide to build a Federal facility, we would allow the State environmental laws to in effect dictate what happens in that State?

Mr. Gingrich. I think that we ought to set a much broader framework for what the Federal Government mandates and then say, "As long as you are inside this box, you solve it." I taught environmental studies and I am not about to advocate that we allow the least environmentally aware State in the country to have its own toxic waste program creating a long-term liability for all of us. Nor would I suggest that you want to set a standard for construction of the interstate highway system that gives you 50 different safety standards.

But once we have defined a general pattern of the values we want achieved, how you get to those values and how you decide within that framework to apply your own specific nuances, I think, should clearly be up to each State. I think that we should recognize that the requirements of Alaska are hardly the same as the requirements of Florida.

Furthermore, the more you bureaucratize the system, the dumber it gets. The more you take incentive away from the local entrepreneur and the local manager and the local decision-maker until they become paper shufflers, the more you create a blandness and a lack of creativity and a lack of drive and energy, which I think now enervates the whole system. You probably see it in education more than transportation, but you see it across the whole country. The bureaucratic welfare state is grinding down the common sense and initiative that used to be the hallmark of being American.

I would recommend to the committee that as you look out over the next year or so of developing this infrastructure process, that you go back to the States and also to the local communities, to the Association of Mayors, Association of County Commissioners, and you ask them to propose the reform bills that they would have to debureaucratize America. What is it that they collectively can work out? It's not that you are going to accept it, but get the customer at the bottom who is the one most affected to spend some time saying, "Gee, which of these are just plain dumb?" Have them come in so that you have the muscle of the county commissioners and the muscle of the city governments and the muscle of the State governments as part of your infrastructure momentum.

Mr. Bosco. But you would suggest a threshold above which every State must be?

Mr. GINGRICH. Sure. I think that the Federal Government can legitimately expect certain thresholds of honesty and accuracy that we have to be aware of and have to look at.

Mr. Bosco. Thank you.

The CHAIRMAN. Mr. Payne?

Mr. PAYNE. I just want to thank my colleague for what I think was a very thoughtful and well-prepared presentation to us. A presentation like that takes a great deal of time and I appreciate your taking the time to do that.

I had one question related to something that Dick Gephardt touched on, having to do with educating the public in order for this infrastructure movement to really be successful. That is where it really needs to take hold. He mentioned an example where a bond issue had failed miserably, apparently, and once there was some education done, it passed rather overwhelmingly.

Could you just comment on your thoughts about that subject and the necessity of further education of the public?

Mr. GINGRICH. I would be glad to, and I appreciate your comments, Mr. Payne. I am a little cautious because I hope that what I say will not in any way be seen as being offensive or smartaleck.

Public Works has historically had a pattern of being relatively not just bipartisan—it is a wonderful committee that taught me an immense amount about how to work with my colleagues on both sides of the aisle—but of being such a positive committee. The pattern, I think, of public works development in America has overall been such a positive pattern that we tend to not be very dramatic. We tend to be not very good at communicating our messages.

If you compare the next story on "60 Minutes" about the homeless and the next story about education and the next story about health care and then you get around to the bridge, you will see that the only bridges that make it are the ones that fall down. That is seen as a tactical event, not as part of a vision and strategy problem.

We are not very good because we get up—this is a committee, frankly, which gets together and tries to think through in the most practical way: how do we build a better America? I have been through these hearings as you have, and we look at where do we need a water project and where do we need a highway interchange? These are very practical, very detailed problems.

We are not necessarily the greatest producer despite the fact that both a former member of this committee who became Speaker, and your current witness who became Whip, are both pretty good at making speeches. In terms of public works and infrastructure, we are not naturally very dramatic.

Part of the reason I came in today to give you what I think was probably a little different testimony than I might have—it was frankly shaped and helped a great deal by staff work on our side at briefing me on what you are looking at. I am convinced that we have a chance if we take it really seriously, to put together a new approach, a new package, and a new alliance across this country to reach out to people.

I will give you a slight improvement on former Speaker O'Neill's dictum that all politics is local. I believe that all politics is personal. I believe that when you are sitting in that car for your second hour in a traffic jam in Los Angeles, you understand why it is important that Glenn Anderson is Chairman of this Committee and you are glad that he is doing something about traffic in Los Angeles. I think that when you are sitting in Northern Minnesota and you are looking at a real problem as a farmer and you know that the work that Arlan Stangeland did in the Red River is directly affecting your life, then you understand this committee.

However, we have not found a mechanism to bring together all of those personal needs into a general program. I cited the Eisenhower example because it was a work of genius. People underestimate Eisenhower. He was one of the two members who led the first Army cross-country convoy in 1919. Eisenhower's vision of a nationwide highway system had been there for almost 36 years before he gave that speech. He tried to think through the question: how could he build a structure so big that after he ceased being President, it would still just move forward in a grand way?

I think that the challenge to this committee is to come up with a vision of infrastructure in America. I listed the three keys: public safety, quality of life, and competitiveness in jobs and take-home pay in the world market. If you can put together that package so that we can then bring everybody into one big arena, who for their own reasons, whether it is in Buffalo or Fort Worth or Virginia, decide that this will improve their lives, then we can pass the capital budgeting that Mr. Nowak is so correct about and we can pass the trust fund budgeting that the Chairman is so correct on.

I think it has to be done that way. It is the link between general vision and my life. That is not a habit that we in Public Works have been good at, frankly.

Mr. **PAYNE**. Thank you very much.

The **CHAIRMAN**. Mr. Stangeland.

Mr. **STANGELAND**. Thank you, Mr. Chairman.

Newt, I am sorry that I was not here to hear your presentation or the presentation of Mr. Gephardt before you. They had a markup of Wheat.

In listening to your discussion with Mr. Bosco, I wondered if I can phrase what you somewhat have in mind. You talk about the inertia or the buildup of resistance in the bureaucracy.

We had testimony here the other day from the scientific community, MIT to be exact, on waste water treatment. They have designed a way to replace secondary treatment of waste water and it is not approved. There is a requirement by EPA that municipalities and cities build secondary treatment plants. Secondary treatment for Boston cost billions and the O&M is $1 million a year.

Their testimony was that they seemed to think that through chemical treatment they can take care of that waste water for about $1 million a year, the same as the O&M of the secondary plant. I am wondering if that is kind of what you are talking about, that if this is going to go—and I will have an amendment on it—we have to find some innovative ways to not do it the way we have done it for years at horrendous cost because that happens to be the way we did it for years?

Mr. GINGRICH. Arlan, I think you are exactly on target with what Mr. Bosco was trying to get at. We should say, "Here is a standard that we want met." If you will come in and certify—it is almost like a bonding process—if you will certify that you are going to meet that standard, then it is not our business to have an engineer who is sitting in a bureaucracy down here who last did creative engineering 25 years ago read your paper and decide whether or not it fits his paper. We want to accelerate the introduction of new technology and new market-driven approaches, not minimize them.

Right now we have a system, if you think about it, where one of the two or three greatest institutions in America for technology has to come to us to get an amendment to make possible an improvement. That is the Congress acting as a city council, and that is nutty.

I think that we need to put the monkey back on the back of State and local governments to advise us: here, within a framework of quality, is a way that you could liberate us and empower us so that we can make decisions again. I think we could have a terrific alliance in this country if we combined our drive for infrastructure with their desire for decentralization so that both were voting for the same bill.

Mr. STANGELAND. I think that what you are basically saying is that that local city council or that State government is every bit or more concerned about the well-being and the quality of life of its constituency as some Federal bureaucrat out here. This Federal bureaucrat out here is not a know-all, see-all, do-all. There can be and ought to be that input and that trust to that locality and State, with some guidance.

Mr. GINGRICH. That's right.

Mr. STANGELAND. Thank you very much.

Thank you, Mr. Chairman.

Mr. EMERSON. Mr. Chairman, I wonder if I might comment at this point?

The CHAIRMAN. Mr. Emerson.

Mr. EMERSON. I, too, apologize for having been unable to be here to hear your statement and that of the Majority Leader. I have heard some comments on it. I understand that Mr. Gephardt made an outstanding statement. I was glad to hear your recap here in response to the gentleman from Virginia. I liked what I heard you say.

You know, another barrier that I think we have to overcome as we address this problem is that concept of what this committee deals with as pork. That irritates me every time I hear it. There is a big difference between pork as the public perceives it and addressing the real infrastructure needs of this country. Anything that any of us can do to dispel the idea that Public Works and Transportation is somehow an apparatus for dispensing pork will move the cause forward.

I am also somewhat intrigued at times when I hear conservative Republicans, which I consider myself to be—it seems that some conservative Republicans think that it is somehow un-Republican to be for public works and infrastructure improvements. I always delight in trying to remind our colleagues that the Whig antecedents of the Republican Party were largely established by Henry Clay, who had the nickname of "Old Capital Improvements Harry" for the work that he did as a long-time leader in the Congress at trying to help us gain access to the West.

Abraham Lincoln spent virtually his entire career in the Illinois Legislature trying to devise a system of canals for the State of Illinois, which was a state of the art technology at the time. It was quickly overtaken by the railroads, but nonetheless, it was a worthwhile cause as he pursued it. That goes down to and includes the vision of President Eisenhower in having the dream of and the wherewithal to implement what we now know as the Federal Highway System.

I think there are some old shibboleths, as it were, that we have got to overcome as we advance this debate. I liked what I heard you say, that this debate must move forward the real needs of this country in a transportation and infrastructure sense in a bipartisan fashion. We know that this Committee on Public Works and Transportation is very largely bipartisan in character and nature. I hope that as we address the serious business before us this year and ahead that we may proceed in that way.

I thank you and Mr. Gephardt for the contributions that you have made to this discussion.

Mr. GINGRICH. Thank you.

Mr. Chairman, I would ask unanimous consent to put the budget section and the Pinkerton speech into the record after my testimony if that is all right with the committee.

The CHAIRMAN. No objection, so ordered.

Mr. Geren, did you have a question?

Mr. GEREN. No questions, Mr. Chairman.

The CHAIRMAN. Newt, thank you very much for an excellent presentation.

Mr. GINGRICH. Thank you all very much.

[The following were received from Mr. Gingrich:]

I. THE BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

I have the honor to present the *Budget of the United States Government for Fiscal Year 1991.*

The American economy is now in its eighth consecutive year of expansion and growth. It is essential that the growth of the economy continue and increase in the future. The budget is designed to achieve that goal.

The budget has five broad themes:

- ***Investing in Our Future***—With an eye toward future growth, and expansion of the human frontier, the budget's chief emphasis is on investment in the future. It proposes: a capital gains incentive for long-term private investment and new incentives for family savings; record-high amounts for research and development, space, education, and Head Start; a major investment in civil aviation; and a large increase in spending to attack the scourge of drugs. At the same time, the budget maintains a strong national defense while reflecting the dramatic changes in the world political situation that are taking place; and it fulfills responsibilities to protect the environment, and preserve America's cultural heritage.
- ***Advancing States as Laboratories***—The budget recognizes the emergence of new ideas and initiatives originating at the State and local level. The Federal Government will foster such innovation and experimentation in numerous fields, from transportation to health, through waivers of certain rules and regulations, and through demonstration grants.
- ***Reforming Mandatory Programs***—Entitlement and other mandatory spending now constitutes nearly half the budget, not counting an additional 14 percent for interest. The budget provides for full payment of social security benefits and funds growth in health, low income and other mandatory programs. However, it proposes reforms where warranted to slow the growth in some of these programs and thus leave more room in the budget for priority initiatives.
- ***Acknowledging Inherited Claims***—The budget faces up to such inherited claims as the cleanup of decades old environmental damage at nuclear weapons facilities. It analyzes potential claims from unfunded annuities and Federal insurance programs. It assesses the growing volume of defaults in Federal credit programs and proposes essential credit reforms.
- ***Managing for Integrity and Efficiency***—The budget contains suggestions for reforms in the way Congress deals with the budget. It provides more resources and suggests improved methods for managing the vast Federal enterprise better. It identifies low-return domestic discretionary programs where a smaller investment of budgetary resources is warranted.

The budget meets the deficit target of $64 billion for 1991 established by the Gramm-Rudman-Hollings law, without raising taxes. It would balance the budget by 1993 as required by that law, begin reducing debt, and protect the integrity of Social Security.

Each of the themes outlined above is discussed in more detail in Section One of the budget, the Overview. The customary tabular and appendix material is contained in Section Two.

I look forward to working with the Congress in the weeks and months ahead to produce a budget that meets the Gramm-Rudman-Hollings target, advances the Nation's essential interests, and keeps the economy on the path of continued growth.

George Bush

January 29, 1990

IV. ADVANCING STATES AS LABORATORIES

"It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country." Justice Louis D. Brandeis, dissenting in *New State Ice Co. v. Liebmann*, 1932.

More than many realize, State and local governments are today performing the laboratory function cited by Justice Brandeis in a wide variety of areas—from education to transportation, from child care to the environment. In many cases Federal funding is supporting demonstration projects; in other cases Washington is granting waivers from normal Federal rules to permit experimentation. But in numerous instances States and localities are moving on their own, with their own funds, to try new and innovative approaches to problem-solving.

This blossoming of State and local innovation is welcome. As the intractability of some problems, such as those associated with poverty, attests, national approaches tried over the past 30 years have had a mixed record of success at best. Despite a level of Federal taxation which, at about 19.5 percent of the gross national product, is higher now than has been the historic norm in the past 40 years, the Federal budget is under severe and well-recognized constraints. This is not to say that the fiscal condition of State and local governments is "easy", but their budgetary situation is not dominated by large and persistent deficits as has been the case with the Federal budget.

Much more than relative fiscal capacity is important in consideration of "States as laboratories." Until quite recently a case could be made in many areas of government policy and action that a national approach, with national rules and standards, was warranted. This was so because some States departed widely from national norms in such areas as racial segregation, and some were too poor to accomplish as much as may have been judged appropriate. A lot has changed in the past quarter century.

The "one man, one vote" decisions of the Supreme Court have greatly altered State legislatures, giving greater representation to urban areas. The civil rights revolution has been one of the seminal events of the twentieth century; to cite just one aspect of the revolution, elected black officials in the South are now commonplace. State government structures have been modernized. Income disparities among the States of earlier in this century have narrowed, and the sustained economic expansion has raised the income levels of all the States.

The U.S. Advisory Commission on Intergovernmental Relations, in a 1985 report entitled "The Question of State Government Capability", made an unequivocal judgment: "This study concludes that State governments have been transformed in almost every facet of their structure and operations."

Assessing the effects of the reductions in some Federal grant-in-aid programs in the early 1980's under President Reagan, Richard P. Nathan and Fred C. Doolittle stated: "There is evidence . . . that Reagan's federalism reforms have stimulated and are continuing to stimulate state governments to increase their efforts to meet domestic needs in the functional areas in which the national government either was cutting grants-in-aid or threatening to do so." In the case of "social programs" in particular, Nathan and Doolittle cited a trend toward some retrenchment in Washington and then, based on their reporting on developments in numerous State and local governments, concluded:

> "In conservative periods, the supporters of social programs are likely to find that in many instances their best strategy is a devolutionary one. They may well find in particular areas of domestic policy that the best approach is to seek support from those States and major local governments which for various reasons are sympathetic to proposals for increased social spending."

The prevailing philosophy varies by State, of course, which is the nature of a Federal system. However, by almost any measure the extremes among the States have narrowed. Those concerned about the segments of our population who have been left behind need no longer turn to Washington as the only source of redress.

The President's budget continues and expands the many-sided effort of the Federal Government to foster and finance experimentation in the States. In the areas of education and low-income programs in particular, to be described below, the President's program supports important innovations and experiments, including steps to reduce Federal controls and regulations in order to give State Governors and legislatures greater latitude to try new methods.

Apart from these efforts, the Administration's support of the principles of federalism is expressed in Executive Order 12612, issued in 1987 and personally endorsed by President Bush in a speech to the National Governors Association in 1989. This is designed to make sure that proposed policies and legislation conform with federalism principles, including maximum discretion to State and local governments.

An additional initiative is a test, run jointly by the Office of Management and Budget and the National Governors Association, of using a single Federal administrative grant for reimbursing State costs of administering Food Stamps, Aid to Families with Dependent Children, and Medicaid. The test will be carried out in five States beginning in April 1990.

The remainder of this section describes, in various areas of governmental concern, several of the many examples of innovation at the State and local level—some aided by Federal grants, some made possible by Federal statutory or administrative waivers and others entirely at local inititative. The picture is one of much more innovative activity than is often assumed in Washington. It is a picture of creative experimentation—not social engineering but the natural flowering of variety inherent in a healthy federal system.

It is a picture that merits highlighting—and Federal Government support.

TRANSPORTATION

Toll Roads.—While certainly not a new phenomenon in the United States, toll roads are now experiencing a resurgence in popularity. As roadbuilding becomes increasingly expensive and congestion worsens, toll roads offer a viable alternative to many States otherwise unable to afford highway projects. At present 26 States have toll road facilities covering almost 5000 miles, and more are contemplated. According to the International Bridge, Tunnel and Turnpike Association, 17 States are currently considering $8.6 billion worth of toll road proposals totaling 902 miles.

In an example of strictly privately financed, for-profit toll roads, Virginia's Commonwealth Transportation Board in 1989 approved the longest private toll road in the country, and the first such road in Virginia in 173 years. The road will be a 14 mile extension of the existing and successful Dulles Toll Road, which runs parallel to the toll-free access road to Dulles International Airport.

Where once toll roads were largely concentrated in the East, Sunbelt States, including Texas and California, are now beginning to experiment with the concept as well. For toll road users, transportation costs will be higher, but travel should be safer and quicker.

In general, the Federal aid highway law prohibits spending Federal funds for new toll roads. But as a demonstration, the 1987 reauthorization permitted Federal financing for up to 35 percent of the cost of seven non-interstate toll road projects, and two more were added in subsequent appropriation bills. These nine projects are now in various stages of approval. In the next reauthorization, due to be taken up in the 1991 session of Congress, the Administration will look favorably upon innovative means of financing highways, including toll roads.

Airport Financing.—The 1987 reauthorization of the Airport Grant Program included a 2-year pilot program allowing three States more administrative control over airport grants. Starting in 1990 Illinois, North Carolina and Missouri will assume sole responsibility for distributing airport development funds and master planning for all nonprimary airports in their States, on the assumption that they are closer than the Federal Government to airport problems and are the best judge of priorities. A report will be made to Congress on the results of this demonstration, with the possibility of expansion to the rest of the country.

States, and local airport authorities, are also looking at alternatives to Federal funding for airport construction and development projects. One prominent alternative is the imposition of a "passenger facility charge" or PFC. Although PFCs are levied in 138 foreign nations, in 1973 Congress prohibited their use in the United States. The Department of Transportation estimates that by imposing an average PFC of $3 per passenger, almost 60 major airports would collect more than twice what they would receive in Federal airport formula grants.

Airports favor PFCs for several reasons: no Federal appropriations uncertainties; an independent revenue stream controlled by the airports; and ability to finance additional airport capacity. The Administration proposal for reauthorizing the Airport Grant Program will include a provision abolishing the prohibition on local airport fees.

High Speed Rail.—States and localities have received $4 million from the Department of Transportation's Federal Railroad Administration (FRA) to perform feasibility studies of high-speed rail systems in their areas. In many cases, this "seed money" has resulted in the formation of special State/local commissions and authorities to select franchisees for the construction and operation of high-speed rail systems. While no State has yet awarded a franchise, several are well along in the process. The 1991 budget includes funding for research on magnetic levitation high-speed trains, or "maglev."

No Federal financing for construction or operations of the high-speed rail projects is being proposed or requested. Financing instead will come from innovative sources, such as the grant of real estate development rights along the proposed Miami-Orlando-Tampa high speed rail route in Florida. The Ohio High Speed Rail Authority has eminent domain powers and $2 billion in tax exempt bonding authority to build a rail line linking Cincinnati, Columbus and Cleveland. Among other projects under consideration are those that would link Las Vegas and Los Angeles; Dallas, Houston and San Antonio; and a 300 m.p.h., 20-mile maglev link between Orlando Airport and Disney World in Florida.

Mass Transit.—As the cost of subways mounts and voters reject transit bond issues, cities are turning again to buses and are innovating in several ways, ranging from use of private service to new fuels. Buses are not glamourous, but a bus that will last 12–15 years, carry 50 passengers, and provide a safe, flexible route costs about $200,000; this compares with a cost of $10 million to $300 million per mile to construct rail rapid transit. Studies suggest that while businesses and developers favor high-tech transit, the average taxpayer is unwilling and unable to foot the bill.

Of necessity, cities have returned to the drawing board to come up with new plans in which expensive rail systems play a lesser role and buses are more prominent. For example, Dallas has scaled down the rail part of its transportation package by about a third and balanced the package with a much improved bus system. It includes new busways for express bus service, inter-suburb bus hubs where routes converge on a central point, and house to house pick-up by mini-van. Another approach, used in the Northern Virginia suburbs of Washington, D.C. and elsewhere, is to encourage use of carpools, vanpools, and buses by reserving special traffic-free highway lanes for these vehicles.

Private bus service has been successful in a number of cities, sometimes for only a portion of the total transit network. Several localities have used the method of competitive contracting, with the public transit agency competing against private bidders. Studies by the Federal Urban Mass Transit Administration have indicated that private companies can deliver mass transit services 20 to 50 percent less expensively than public agencies, largely because of a difference in labor costs. As an example, Denver was mandated by the Colorado legislature in 1988 to convert 20 per cent of its lines to private service.

An alternative to commuting by personal automobiles has attractions for a variety of reasons, not least of which is reducing air pollution. Denver, Los Angeles, New York and Seattle are testing UMTA-funded demonstration buses that run on compressed natural gas or methanol.

Drunk Driving.—The budget proposes to double funding for the recently established Drunk Driving Prevention program to $8 million. This program provides grants to States that adopt specified measures to curb drunk driving, such as suspension of drivers licenses, and will test which enforcement measures are most successful.

EDUCATION

Awareness of the serious deficiencies of American public school education hit the Nation with the force of an explosion in the 1980s. Publication in 1983 of the report entitled "A Nation at Risk" gave impetus to movements for reform that were beginning to crop up in States and localities across the country. A high point of the reform effort was the Educational Summit meeting of President Bush and State Governors in Charlottesville, VA in September 1989.

The problem of poor educational performance is a troublesome one for the Federal government because elementary and secondary education are almost entirely the responsibility of State and local governments and school boards. Federal grants to help finance and improve elementary and secondary education, almost non-existent until the mid-1960s, have risen to $10 billion in 1990, but this is only about 7 percent of the national total. The bulk of the Federal funds goes to programs aimed at improving the education of children with disadvantages of various kinds. Beyond that, the Federal government can contribute best by fostering, and in some cases helping to finance, educational innovation in the States; helping to evaluate, through improved statistics and testing, the actual status of educational performance; and research and dissemination of information on the myriad of experiments that are going on at the State level, assessing what works and what does not. The 1991 budget, for example, contains $3 million to evaluate local initiatives and disseminate the results.

Finally, the Federal government can remove barriers to innovation and experimentation that arise from its own rules and regulations, many of them stemming from statutory requirements. As a follow-on to the Charlottesville Summit, the Administration will support legislation to grant more flexibility to the States in use of Federal funds, with safeguards to assure that services are provided to the targeted populations. The flexibility would be conditioned on establishment of objectively measurable goals for improved performance.

What follows is a listing of a few of the educational innovations and changes taking place at the State and local level. Also included is a sampling of demonstrations and experiments proposed to be financed by the Federal government in this budget.

Minnesota Choice Options.—The principal innovation, among several, permits students in grades kindergarten through 12 to apply to attend school in any school district in the State. Other new options include permitting 11th and 12th graders to attend a postsecondary institution full or part-time and obtain high school credit; establishment of Area Learning Centers to provide year-round, individualized education for students aged 12 to 21; and "Diploma Opportunities for Adults", an opportunity for people 21 and over to complete high school. The U.S. and Minnesota Departments of Education are conducting a joint 3-year study of the results of several of these innovations, including the Statewide choice-of-school option.

New Haven Model Schools.—Dr. James Comer of the Yale Child Study Center began in 1968 to try to transform two elementary schools in a low-income, predominantly minority neighborhood, principally through a comprehensive reform in the management of the schools. When the experiment began the two schools ranked 32nd and 33rd out of 33 New Haven schools in reading and math achievement and had the city's worst behavior and attendance problems. By the mid-1980s the schools ranked third and fifth in fourth-grade test scores, and one of the two led the city in school attendance for four years in one 5-year period.

Maryland Accreditation System.—In an innovation that is just beginning, all of the State's 1,200 public schools will by 1992 be evaluated and rated on performance by a State team of inspectors. There will be financial rewards for schools that are rated superior and penalties, including the possibility of takeover by the State, for low-performing schools. In addition, the State Board of Education has decided to change the State's testing system to measure better how students perform, and it has opened the way to teacher certification of college graduates without formal teacher training programs.

Washington "ECEAP"—Early Childhood Education and Assistance Program.—This is a variation on the federally financed Head Start program for disadvantaged children. It involves special academic requirements for teachers and school aides, and correspondingly higher salaries, and it also places special emphasis on involvement of parents. Among the earliest advocates, urging the State legislature to fund the program, was the Washington Roundtable, an organization of leading business executives concerned about the State's future work force.

Rhode Island "Crusade for Higher Education".—To help induce at-risk children to stay in school, the State will offer them tuition assistance at in-State colleges in return for a written commitment to obey the law, avoid early parenthood and refrain from drugs. The agreement is to be offered to third-graders and their parents. While all children are asked to join, the scholarship assistance will be available only to those in financial need. There are somewhat similar programs in New York, Louisiana and New Mexico.

Federally Financed Experiments.—While most innovation has sprung up spontaneously at the State and local level, the Administration is moving on several fronts to give a further boost to new means of tackling the education problem. The following are several of the grants proposed in the 1991 budget:

- *Alternative Certification for Teachers and Principals.*—The budget proposes $25 million for grants to States to design and carry out programs through which persons can become teachers and principals in ways other than the traditional certification routes.
- *Dropout Prevention.*—Special projects in local school systems to reduce dropout rates of secondary school students will be financed by grants totaling $45 million, supplemented by $5 million for related research.
- *Emergency Drug Grants.*—These grants go to local school districts with the worst drug problems to devise innovative approaches to reducing drug abuse. This is one aspect of the President's drug program, and will total a minimum of $25 million.
- *Training of School Principals.*—The budget proposes $25 million to support a new initiative to improve the training of principals-to-be. The program will include a short period of residential training and a year working with a successful "exemplar" principal to learn, first-hand, how to manage schools.

COMBATTING POVERTY

In no area of public policy is innovation and experimentation more widespread than in the often-frustrating effort to deal with the causes and effects of poverty. The Social Security Act of 1935 itself was the product of several decades of State innovation in development of "mothers' aid" for widows with children and programs for aid to the aged and blind. More recently, State successes with welfare-to-work demonstration programs were instrumental in the enactment in 1988 of the most important reform of Aid to Families with Dependent Children (AFDC) since its inception in 1935. State innovation is continuing to receive encouragement from the interagency Low Income Opportunity Board established in 1987 in the White House and reestablished by President Bush early in his Administration.

The Federal contribution to experimentation at the State level has been twofold—direct financing of some demonstrations and, probably more important, the grant of flexibility to the States under various statutes, including the Social Security Act, to permit them to try new approaches that would not be permitted under the basic laws. This flexibility is provided in the statutes themselves or through a process of waivers. The Low Income Opportunity Board screens and coordinates the grant of waivers by various agencies under different statutes.

During the first half of the 1980's a combination of Congressional willingness to allow States more flexibility, strong support by the Administration, and State efforts to find ways to help welfare families become independent laid the groundwork for the Family Support Act of 1988 (often called "welfare reform"). Both demonstrations and waivers were used to test new approaches. In either case, the essential ingredients were States with ideas about ways to do things better and determination to follow an experiment through to its conclusion. Not all of the welfare-to-work experiments produced encouraging results but enough did to persuade the Administration and Congress to change the underlying Federal law. As an example, States showed that welfare mothers, including those with preschool children, could be required to participate in work-related activities, with some success in later placement in gainful employment.

Currently the States are busy with the task of implementing the new law. However, experimentation and innovation have not stopped. With the support of the Low Income Opportunity Board, a number of States are continuing to test alternative ways of helping to move welfare families toward self-support.

What follows is a sampling of ideas and projects that are being tried across the country. It should be noted that some of these experiments are controversial, some may not work, others may prove to cost too much for the benefits produced. That is the nature of "States as laboratories". As any scientist knows, the road to success is marked by numerous laboratory failures. The sampling below is meant to illustrate the breadth of initiatives, not to endorse specific projects or approaches.

Wisconsin "Learnfare", Linking AFDC and School Attendance.—Under this controversial experiment, made possible by a Federal waiver, a welfare family with teenage children has its AFDC benefit reduced if the child drops out of school, defined as missing three days of school in a month without a valid excuse. Supporters see this requirement as a necessary step in breaking the cycle of welfare dependency by making certain that the children get an education. But there are many critics. Some welfare families reportedly have resorted to various fraudulent excuses for their children who are not in school, including forgery. However the experiment turns out, new knowledge of what works and what doesn't will have been acquired.

Minnesota "Family Investment Plan".—In December of 1989 the President signed bills providing special authority for a demonstration of the effects of intensive social and educational services and expanded cash and non-cash benefits for low-income families in several localities in Minnesota. Among other features, the "Family Investment Plan" will provide a consolidated cash grant combining AFDC and food stamps, and will extend medicaid and child care assistance to non-AFDC households eligible for food stamps.

New York "Child Assistance Program".—The State began a demonstration in 1988 aimed at replacing welfare payments with increased efforts by the parents to support their children. New emphasis upon obtaining child support from absent parents is combined with a supplemental benefit designed to increase incentives for the custodial parent to seek and hold a job. To enter the program a single parent must have obtained a court order for child support, a precondition which the State hopes will increase efforts by custodial parents to establish paternity and obtain support orders. The supplemental benefits are calculated according to a formula which, in comparison to AFDC, permits families to retain more of their benefit as their earnings increase. The demonstration, under way in several urban and rural sites, will last 3 years and includes a rigorous evaluation designed to ensure that the effects of the experiment will be known precisely.

Youth Opportunities Unlimited (YOU).—This proposed Labor Department program, to be tested in a maximum of 40 high-poverty inner city and rural areas, involves "challenge grants" to areas that offer a comprehensive package of services and a specific objective for low-income, at-risk youth, such as high school completion. Job training will be a major component but not the only one. The local grantee will have to enlist the support of the private sector, local government agencies and school boards. The Federal funds will total $50 million annually, and successful grantees can receive funds for up to 3 years.

Ohio "Project Learn".—In a program directed specifically at teenage parents, the State will offer a bonus under AFDC of $62 a month to young welfare mothers (and fathers if present) who remain in school or go back to school. That is the carrot. The stick is a corresponding reduction of the grant for teenage parents who refuse to stay in school.

New Jersey Unemployment Compensation.—This experiment does not involve poverty as such but, rather, the problem of unemployment of persons who normally work. The State identifed about 8,500 workers collecting unemployment compensation who had lost their jobs because of layoffs, plant closings and similar events and who were regarded as likely to have difficulties finding a new job. One group was offered intensive job search assistance alone; a second group received training or relocation assistance in addition to job search; and the third group was helped with job search and also received a cash bonus if they found full-time work within 12 weeks. None of these approaches "paid for themselves" in the sense of a net saving to the unemployment compensation system, but the first and third were found to have net benefits to society as a whole. The cash reemployment bonus idea is now being tested in Pennsylvania.

Through the Low Income Opportunity Board and other approaches, including proposed statutory changes as needed, the Administration will continue to work with the States in seeking new approaches to the problem of poverty. Whatever is done, it is already clear that experimentation at the local level is an indispensable element in finding out what works.

HEALTH

As is widely recognized, the health care system in the United States is flawed in two different and opposite respects: Its costs are higher than in other nations and are rising rapidly; and yet life expectancy, infant mortality, and other measures of health status are less favorable in the United States than in many other industrialized societies, and a sizeable minority of the population is not covered by public or private health insurance. No one actor in the health drama can create a solution, but as in other areas ideas are bubbling up from the States.

Medicaid in Oregon.—One of the most innovative health care proposals in any of the States comes from Oregon. The State proposes to expand greatly the coverage of the medicaid program (jointly financed by the Federal Government and the States) to cover the entire State population whose incomes are below the poverty line, but to limit the cost by assuring only a "basic" or "adequate" package of medical services, with additional services to be provided only if funds are available. Health care services would be ranked by a Health Services Commission to establish a set of priorities.

The sponsor of the bill, who is a medical doctor, has posed the issue in these terms: Given a limit on resources, the choice is between expanding the eligible population and placing some limit on the benefits, or holding the benefits constant and limiting the eligible population. He has chosen the former.

The Oregon plan will require a Federal waiver of the normal medicaid rules, either administrative or statutory. It is controversial. Among other things, questions arise whether it will be as cost-neutral as it purports to be. But it clearly breaks new ground in seeking to deal with a major problem. The Administration is studying the plan.

"OB Access" in California.—Infant mortality is higher in the United States than in most other industrialized countries. A problem primarily of low-income mothers and their babies, infant mortality, it has been found, requires for a solution more than just making available adequate nutrition or even offering prenatal care. Personal contact and other services are often required, to assure that the nutrition and care are sought and actually delivered to those who need it.

The California OB Access program (short for Access to Obstetrical Care) is based on this principle. It began in 13 counties with a high incidence of poverty and involves a comprehensive package of services. The pilot program revealed that the percentage of babies with low birthweight was 35 percent lower among OB Access participants than in the medicaid population that was not served. As a result of these findings the legislature enacted and the Governor signed legislation making the program Statewide starting in 1987.

Care of the Frail Elderly at Home.—In most cases elderly persons do not want to enter nursing homes, even if they can afford it. Their families, too, often prefer to have them at home rather than in a nursing home. But care of the frail elderly can be a time-consuming and exhausting task for the family member or members who undertake it.

In an effort to find a midway solution between full-fledged, expensive professional care in the home and no help at all for the family members, New Jersey, with help from a Federal demonstration grant, is experimenting with "respite care". It involves the use of professionals on a part-time basis whose purpose is not principally to serve the frail elderly person but rather to relieve the burdens of the family members who are providing care. It can include periodic home visits, taking the elderly person out of the home for a few hours and other services.

An important purpose of the experiment is to ascertain whether this part-time assistance can reduce or eliminate the need for long-term care in a nursing home. Even if the demonstration shows only that respite care reduces premature placement in nursing homes, it will have proved valuable.

Medical Malpractice Liability.—States are experimenting with new approaches to the problem of rising insurance costs for medical malpractice. More traditional efforts at tort reform, adopted in some degree by nearly all States in the past 15 years, have had only modest effects on the frequency and severity of claims, according to a study by the Institute of Medicine. The newer approaches are controversial, and they could prove costly to taxpayers. Under a 1989 law in Texas the State itself will provide coverage for doctors whose caseload includes at least 10 percent charity cases; such cases include those under medicaid and other programs providing health care to the poor. In West Virginia, a new law provides that the first $1 million of liability to a pregnant medicaid client is taken over by a State agency.

ENVIRONMENT

Although in some areas of governmental policy the consistency imposed by Federal laws or regulations is often desirable, complete uniformity is neither necessary nor desirable. In developing environmental programs, States and local governments frequently have designed regulations that are responsive to their communities' unique needs, and have experimented with creative ideas that may percolate into constructive new national policies.

Solid Waste.—Safe and efficient disposal of solid waste will be one of the great environmental challenges of the 1990s. The development of effective waste management techniques is a task primarily of State and local governments. To deal best with the growing mountain of waste, communities usually require integrated plans involving source reduction, source separation, recycling, incineration and landfills. In the past year, 134 new recycling laws have been passed by 38 States.

Acting on the principle that reduction of the waste stream is the preferred approach, the coalition of Northeast Governors has formed a "packaging task force" to encourage manufacturers to develop new packaging designs that reduce the waste generated by their products.

Numerous States and localities have initiated "curbside separation" programs that facilitate recycling, clean and efficient combustion, and the safe use of landfills. But separation is not a panacea. New Jersey has implemented a successful program that requires separation only of materials such as aluminum and paper, where markets exist for the recycled waste.

By contrast, the recent growth of newspaper recycling has created gluts in the newsprint supply that greatly exceed demand and discourage the entry of new entrants into the recycling markets. To help alleviate this problem, Florida now imposes a 10 percent tax on virgin newsprint and provides tax credits for the use of recycled newsprint. California and Connecticut require newspapers to use minimum percentages of recycled newsprint. These efforts, backed by the support of the American Newspaper Publishers Association, have helped spur the growth of markets that is essential to the continued success of newspaper recycling.

Modern incineration facilities can be cleaner and safer than landfills, and are an important alternative to them. There are now more than

100 municipal incinerators in operation, two-thirds of which recover energy for local use, and another 200 incinerators are planned. Baltimore, for example, burns 2,250 pounds per day, recovering 55 megawatts of electricity that is sold to the local utility. New scrubbing and high temperature combustion technologies permit safe emissions levels in compliance with clean air requirements.

Even smaller communities have found that they can economically promote sound environmental policy by developing comprehensive solid waste plans. Winona, MN, a community of 45,000, has had an integrated solid waste plan since 1981. The county program includes public education; mandatory curbside separation of six types of waste; recycling of tires and appliances; composting; and incineration. There are plans to build a modular incineration plant and to recycle the waste ash. Within 5 years less than 10 percent of the community waste stream will go to landfills, and over 40 percent will be recycled.

Non-point Source Water Programs and Wetlands Protection.—States and regions have widely divergent causes of non-point source water pollution and they have taken different approaches to address the problem.

For example, the States that make up the Chesapeake Bay watershed have joined forces to reduce pollutants by 40 percent in order to protect water quality and preserve the rich living resources of the Bay. Maryland, Delaware, and Virginia have successfully tightened pollution controls for cities and for farmland runoff, strengthened wetland protection, and instituted tighter land use control. The result has been a cleaner bay and a resurgence of aquatic life.

Iowa, a leading agricultural State, has taken an aggressive approach to its groundwater pollution problems that aims at controlling pesticide and fertilizer contamination. The State has increased pesticide and fertilizer fees and devoted those resources to research on farming with reduced use of chemicals.

Washington has dedicated taxes on tobacco products and pollution control equipment to finance water pollution control, wastewater management, and groundwater runoff projects in an effort to maintain the quality of the Puget Sound.

Hazardous Waste Cleanup.—While Superfund, the Resource Conservation and Recovery Act (RCRA), and other Federal programs have made progress in preventing and cleaning up toxic wastes, some States have added innovative cleanup efforts of their own. New Jersey, for example, has induced polluters to clean up sites by requiring environmental audits before real estate can be sold.

RCRA requires the cleanup of leaking underground storage tanks, and 33 States have passed laws to supplement the Federal law. Ohio, Maine, Pennsylvania, Vermont, and New Jersey have established insurance funds or loan pools to assist tank owners with the cleanup. Ohio has almost 80,000 tanks, and many owners would presumably have delayed or avoided the costly cleanup without the State's assistance and encouragement.

CHILD CARE

Nearly every State has addressed the child care needs of working families by one means or another. For example, 28 States and the District of Columbia subsidize parents' child care expenses by providing deductions or credits on State income taxes. Thirteen States now give tax breaks to employers who provide specified child care benefits for their employees, such as information services, assistance with child care costs, or on-site child care centers. Twenty-six States and the District of Columbia finance early childhood education programs, and 11 of these States have lengthened the hours of their pre-school programs. States, and local school districts, have established a variety of before- and after-school programs for children of school age. Finally, almost all of the States use a portion of their Federal social services block grant (Title XX) for child care and related activities.

Examples of child care developments in several States and localties follow.

Ohio.—The legislature in 1989 voted to more than double child care spending. This funding is targeted mainly at low-income parents, including teenagers who need child care assistance to complete school.

New York.—The State has the Nation's largest network of model employer child care centers, operated by State agencies and State universities.

Minnesota.—An increase of $18.5 million for the 1990–91 biennium will go for such purposes as subsidies for low-income working families to help them pay for child care, child care subsidies for low-income college students, and training for child care providers.

California.—This State has the Nation's most extensive "resource and referral" network—local service agencies that help parents locate child care. There are 65 agencies in all, at least one in each of the State's 58 counties.

Indiana.—The State cigarette tax was increased half a cent per pack, with the additional revenue designated for school-age child care. Additionally, the Indianapolis Department of Public Safety, whose concern is crime, conducts special seminars for "latchkey" children—those who are at home by themselves after school. A Latchkey Task Force teaches children first aid, what to do in case of fire or weather emergency, and even how to prepare nutritious snacks.

Florida.—The legislature last year doubled appropriations for pre-kindergarten programs and funded 6,000 additional child care slots for children of low-income working families. The package included other elements such as training of child care workers.

Wisconsin.—In 1989 the legislature added a credit to the State income tax that benefits all low-income working families with children, whether or not they have documented child care expenses. The credit increases with family size and is refundable, so that it is available to families who do not pay income tax.

CONCLUSION

Across the broad range of domestic policy, the Administration will:

- continue to encourage the "States as laboratories;"
- work with Governors, mayors, county officials, and their various associations to foster innovation and identify obstacles to it;
- ensure sound evaluation of experiments and publicize lessons learned; and
- together with State and local governments, facilitate the more general application of the "state of the art" where innovation has shown the way to better results.

The New Paradigm—Remarks by James P. Pinkerton, Deputy Assistant to the President for Policy Planning to the World Future Society

Thank you Lindsey. Good morning.

I'm here today to talk about George Bush, the first President to govern in the spirit of the New Paradigm, a concept I'll return to in a moment. But before I talk about the New Paradigm, we need to dispose of the superficial Beltway theories about the Bush Presidency. Some say that the President's success comes from atmospherics, such as his personality, or Mrs. Bush, or the puppies. I say that's wrong. The voters may be charmed, but they look to the bottom line: peace and prosperity; what works for them. President Bush is popular because his policies are working. And the reason things are going well for the Administration and the country is that George Bush is truly in tune with the global Zeitgeist of freedom, decentralization, and a new look at ways to solve old problems.

In the face of the conventional wisdom, the President has kept his campaign promises: a Kinder, Gentler Nation, and No New Taxes. Add the unprecedented prospect of reduced troop levels in Europe and decreased military spending around the world and you have a President and a country perfectly positioned to benefit from the dawning of the New Paradigm around the world; the new forces that define how the world works, cracked the Berlin Wall, dismantled the Soviet Empire, and brought a new peaceful integration of the world economy, with the prospect of a better life for everyone.

These forces go by different names. The President himself has spoken of the New Breeze of peace and freedom that is sweeping the globe. The New Breeze is a metaphor for the learning process that has led virtually all of us to conclude, as the President has said, "We know what works. Freedom works."

Just as we now know what works, we have all come to know what doesn't work. After decades of collectivization and concentration camps, we have learned the truth about an ideology whose central premise is a war against human nature, including the human desire for voluntary exchange. Socialism doesn't work. It has obviously failed in Eastern Europe, but it has also failed when it goes by some other name. State socialism doesn't work in South Africa, where it goes by the name of apartheid, and it hasn't worked in the Third World.

Forgive me for laboring the cliche of the failure of socialism, but it's important to establish the context of the international failure of collectivism before I bring my argument home, to make the point that the same dream of centralized socialized bureaucracies has failed here at home in its lesser manifestations. Here at home, as in the Third World, the biggest losers under the old system have been poor people. The Great Society, to pick one obvious example, ahs been a continuing, if well-intentioned failure because it too was based on the false assumption that experts, wise bureaucrats in league with university professors and politicians, could somehow administer prosperity and equality from an office building somewhere.

Having said all that, am I about to launch into a critique of all social programs, and argue that we should do nothing to solve the problems that need solving? No. I'm here as a representative of the Bush White House and as a Republican to tell you that we have just as much desire to end homelessness, improve education, lift up the underclass and realize the goals of most liberals. However, as someone with some modest responsibility for governing, and with the benefit of what we have learned about what works and what doesn't work, I am also here to tell you that if we want to improve the lives of people, then we are going to have to go about solving them in a different way. In a phrase, we are going to have to be guided by the lessons of the New Paradigm.

In addition to this general awareness that freedom works and socialism doesn't, out of the 80s come two areas of emerging national consensus.

First, the public by and large agrees on the goals they want this country to achieve; whether Democrat or Republican, black or white, male or female, virtually everyone wants an educated young generation, a roof over every head, and a clean environment. It's a cliche that Ronald Reagan, the most conservative President in our lifetime, nevertheless ratified the welfare state, uniting both parties in a common commitment to the safety net. So now the argument shifts away from goals—which we all agree upon—to means. That is, how do we do what we all agree needs to be done?

Second, there are limits to the size of government. Like it or not, "read my lips" is national policy and will be, as long as people think that government, especially the federal government, is incompetent.

Some think that these two consensuses that define the 90s are in conflict, that we are condemned to wander around on a darkling plain, existentially stumbling over the rubble of demolished policy, poking around for new solutions to old problems. The New Paradigm is an attempt to light a candle of hope and optimism amid the cynicism, fatalism, and opportunism that have come to characterize Washington. I believe that people of good will can seize this opportunity to significantly restructure the way government operates, to move away from monopolistic bureaucracies, and thus meet change in a way that contributes to decency and competitiveness in the 1990s.

These two new consensuses, and the worldwide realization both that freedom works and socialism doesn't, spells the death of the Old Paradigm of centralized bureaucracy, where wise government officials preside over distribution and production, fine-tuning aggregate demand, etc.

The use of the phrase New Paradigm is one I have adapted from Thomas S. Kuhn's classic work "The Structure of Scientific Revolutions" as a way of getting a handle on the nature of the social transformation that is taking place around us. Indulge me a moment to review Kuhn's argument.

Kuhn argues that most scientists are problem solvers, proceeding in their activity on the basis of certain models or sets of assumptions about how the universe works. Kuhn calls those assumptions "paradigms." A great scientist will develop a paradigm to describe, for example, the nature of the solar system.

In the third century A.D., the astronomer Ptolemy outlined the theory, or paradigm, that the sun revolved around the earth. This "geocentric" paradigm was accepted by the ancient scientific community because it "worked," in the sense that ordinary scientists were able to use Ptolemny's paradigm to make at least some correct calculations about the location of the planets and so on.

Thus, until the 16th century, scientists labored under this paradigm, doing their best to solve scientific problems. Even though the Ptolemaic paradigm was clearly flawed, it was the best model they had. It did work, at least somewhat, to solve the problem of predicting the location of the planets.

More than a thousand years after Ptolemy, Copernicus and Galileo revolutionized astronomy by propounding a completely different paradigm: that the earth revolves around the sun. Suddently it became possible for ordinary scientists to advance the science of astronomy, because the assumptions they were now working on were so much closer to the truth. This heliocentric paradigm guides astronomy to this day. We all remember from school that the New Paradigm was not received with open arms by the Old Paradigm powers that were. Then the opposition was called the Inquisition. Today it's called * * *.

Kuhn put his finger on a truth about the scientific process that applies to societies as well as scientists. Societies, too, form themselves on the basis of paradigms. These paradigms may be good or evil; they may or may not "work."

If a paradigm does "work" it will continue to survive. But it still faces the challenge of adapting to challenges over time. Paradigms give way when people see a new, a different, a better approach. This process can happen by revolution, or by evolution.

Thus, feudalism was a social paradigm, which "worked" in the same limited sense that the Ptolemaic astronomical paradigm "worked" during roughly the same period. For all their obvious shortcomings, the two paradigms were all that these cultures had to make sense of the world. Of course, both paradigms were swept aside when other ideas—new and more useful paradigms—emerged. From our contemporary vantage point, we believe that these paradigmatic shifts were changes for the better.

Kuhn's lesson is that people will not abandon a familiar paradigm, no matter how defective it is, until they can grasp a new paradigm that will replace the old. This is the essence of the psychological and political truism that "you can't beat something with nothing." This is the transition period we are going through—people around the world are coming to see that the Old Paradigm is failing. Leaders and thinkers have a duty to help learn and share the emerging lessons of the New Paradigm.

I believe that centralized bureaucratic government is a manifestation of the Old Paradigm. Max Weber said in the last century that the alternative to bureaucracy was despotism, but he was describing a different world, where the main obstacle to progress was the dead hand of the aristocracy. For its time, bureaucracy may well have been the best available way to organize the transition from a farm to an industrial economy. Today, in the era of the Third Wave, Weber would agree that we have nothing to fear from residual aristocrats like Prince Charles and Fergie, and that today, Central Europeans and others see that the main obstacle to progress is reactionary statism.

The great English Prime Minister Disraeli said that a successful politician must know two things: he must know himself—forgive the nineteenth century sexism—and he must know his times.

The most important knowledge comes from confronting past mistakes: we must come to see our own institutional rigidities, in a way analogous to the way the Eastern Europeans have come to see theirs. The Eastern Europeans are worried about getting through the winter—we have to worry about the Japanese. But in both cases, thoughtful people see the need for change. The President's willingness to at least begin that process of reform is a key reason for his popularity.

The New Paradigm has five main features:

First, governments are now subject to market forces in a way they haven't been before. The policy-maker who tinkers with the economy in the wrong way, who pushes the wrong button, will see the flow of capital and investment re-route itself instantaneously across nations and continents and oceans.

This aspect of the New Paradigm is a function of feedback and the increasing sensitivity of the economy and political system to feedback. Where the system is increasingly self-monitoring and self-correcting there is less room for the social and economic experiments that were the hallmarks of the 60s and 70s. As someone said, if you don't deal with reality, other people will! The President's dogged determination to see a cut in the tax rate on capital gains, for example, seems very compelling in view of the low capital gains taxes imposed by America's greatest economic competitors (most have no capital gains tax at all).

Second, the New Paradigm is characterized by increasing individual choice. The President's education program offers a concrete example. Instead of pouring money into an existing structure—an education structure that already represents the world's highest expenditure per capita, yet the results of that spending have been disappointing, to put it mildly—the President offers a reform that promises to change that structure by letting parents choose the public school their children will attend.

Parental choice in education is a means of letting the people with a stake in the process, the parents, not bureaucrats, decide what constitutes a successful school. Outputs, not inputs. And the New Paradigm method of choice in education is sweeping the country, among state governments run by Democrats and Republicans alike. I might add that the trailblazer in the fight for choice in the public schools has been a liberal Democrat, Governor Rudy Perpich of Minnesota.

Third, the New Paradigm is characterized by public policies which seek to empower people so that they are able to make choices for themselves. Take the Bush Administration's approach to child care: The President has offered a Child Care Tax Credit for low-income working parents that enables—empowers—those parents to care for their children in the way that best suits them: at home, or with a relative, or a neighbor, or at a church- or synagogue-based child care program, or at a day care center.

By contrast, the old paradigm method is to focus on one method of child care, usually day care centers, to fund or regulate that one alternative to the exclusion of other alternatives, have the money trickled down from Washington, and thereby constrict the range of choice. Again, the quantitative approach is to say, in effect, how much spending can we "input" into one method in the hope that the method is correct.

The New Paradigm approach, on the other hand, says: how can we let those with a stake in a certain process, be it the process of caring for kids, or education or health care, whatever—how can we empower those with a stake in the process so that they and not bureaucrats can determine the outcome of that process. In a world where more and more people know better than to believe that wise bureaucrats can benevolently enact child care from Moscow or Washington, choice is increasingly the answer.

Fourth, the New Paradigm is characterized by decentralization: the dispersal of the centers of authority and the break-up of bureaucracy—whether those bureaucracies be a Stalinist government in Eastern Europe, a stodgy corporation on Park Avenue, or a sclerotic city hall in Anytown, U.S.A.

Decentralization means pushing decision-making downward and outward, to the lowest feasible level. No place, no culture is immune from the benefits of perestroika. The cultural anthropologists who said that one culture is backward as compared to another have missed the central insight of the great Peruvian economist Hernando de Soto: that people everywhere by and large want the same things. The President himself made this point in speaking of de Soto. Quote:

"By walking the streets of Lima, not analyzing official statistics, [de Soto] found that the poor of Latin America—who have never read Jefferson or Adam Smith—

ran their affairs democratically, outside the formal economy, organizing their private, parallel economy in a free and unregulated manner. * * * People everywhere want the same things. And when left alone by government, people everywhere organize their lives in remarkably similar ways."

End of quote. Those of you familiar with the great Nobel economist Friedrich Hayek will be reminded of the "spontaneous order" of the market that he described.

But what about here? What about decentralization here at home? Here too, centralized bureaucracies have proven themselves unable to translate our wealth and compassion into opportunity and a better life for every American. Public and private bureaucracies have not been able to adjust to the change of this decade, not to mention the coming decade. Therefore, a new generation which still believes in social justice and the promise of the American Dream must look for new ideas and new approaches to achieve the old goals.

Now that the people have learned that government doesn't know best, they will refuse to turn over decision-making power when they can decide better for themselves. Popular opinion now converges around the notion that instead of doing many things badly, the government should try to do a few things well. The public debate focuses on qualitative, as opposed to quantitative, changes in government, to a restructuring that finally begins to put the government in tune with the society that has changed so much in the past decades.

As Bob Samuelson recently put it, the American people are not so much stingy as they are skeptical. This skepticism—this immunization against being fooled by the authorities that the Information Age allows is a healthy thing. The guiding principle is accountability and feedback. Rather than a rigid dedication to centralized government, the New Paradigm emphasizes results. Achieving those results will usually require the above-mentioned market orientation, choice, empowerment, and decentralization.

Fifth, the New Paradigm implies an emphasis on what works: Once we agree on the goals of a decent life for every American, then the debate shifts to actually achieving those goals, as opposed to talking about them and spending money. As far as public policy is concerned, that means changing the way we measure the success of those policies. Again, its the difference between measuring input and measuring output.

Look at the President's education policy. The President, in an agreement with the governors at the Education Summit in Charlottesville last September, set out some national education goals based not on how much money we are going to pour into education, but just how well the students who come out of that education system perform—outputs, not inputs. One of the leaders in this effort, has been Governor Clinton of Arkansas, who has emerged, especially since Governor Kean's retirement as the most imaginative and energetic force for educational reform in the country.

Overnight, the debate on education in this country has changed. It is now a question of the quality of education, and less a question of the quantity of dollars that may or may not contribute to quality. Note that I am not saying that quantity is irrelevant, only that we have lost sight of why we focused on quantity and inputs in the first place. These factors may help determine the outcome, but they are not the same thing as the outcome.

I would refer all of you to David Osborne, whose Laboratories of Democracy is a wonderful overview of the individual states' respective efforts to actually make life better for their people. I don't agree with everything David says, but that's not the point. The New Paradigm does not rely on the wisdom of one individual, it relies on diversity and innovation spread out across the states like 50, or 1,000, points of light.

As I said, this President holds office at a time when there is an emerging national consensus: Everyone wants an educated young generation, a roof over every head, and a clean environment in which to live. And yet, everyone wants limits on the size of government—limits especially on the size of their taxes.

Are these two areas of consensus in conflict? Well, if you believe, for example, that the problems of America's schools can be solved by spending more money on them—if you believe that the best solution for the high cost of raising kids is to concentrate on subsidizing bureaucratized, monopolized day care—if you believe that the answer to housing our poor is only to build more public housing projects—then you must believe that, yes, our national aspirations are in conflict.

On the other hand, if you believe that we ought to judge our schools by how well they perform, not by how much money we spend on them—if you believe that those schools will improve if parents have a greater say in choosing the schools their children will attend—if you believe that the best child care is the one that responsible parents decide is best for themselves—if you believe in giving the poor a stake in their own futures, say through tenant management and ownership of public housing—if you believe, for that matter, that we should measure the success of our welfare programs by how many needy people pull themselves out of poverty—then, perhaps, you too see the outlines of the New Paradigm as it emerges from the dawn. A world where the focus of public policy is on what works, where we judge the success of those policies qualitatively not quantitatively—emphasizing outputs over inputs, where we expand individual choice, empower the poor, and create decentralized, flexible and adaptable institutions and organizations, there is a world where there is no insurmountable conflict between our national aspirations of caring for our neighbors and enlarging the sphere of our freedoms by limiting our government.

But note: none of this is just my opinion of what should happen in the future. All of this is happening. Thanks to the Information Age, thanks to the worldwide span of the media, thanks to the global village, we are learning faster about what works and what doesn't work. That, incidentally, is why I have been so impressed with the World Future Society. You are looking forward, scanning the horizons of what works. I like to think that the President shares that farsightedness. He is a man whose biography, after all, is entitled "Looking Forward."

But notwithstanding that similarity with the country's leading politician, this Society has of course not tied itself to the political, but to the practical. If, as I believe, we are witnessing the emergency of a New Paradigm, a new era marked by an emphasis on what works, then all the more worthwhile are the contributions of a practical, non-ideological organization like this Society—not least because the old cliches have suddenly taken on a new profundity: the future is today, as it never was before. So, as a fellow admirer of what works, let me say that I am particularly grateful to be asked here today. Thank you very much.

The CHAIRMAN. Our next witness is Major General Patrick J. Kelly, the Director of Civil Works, United State Army Corps of Engineers. The corps has always been an integral part of our Nation's infrastructure framework. They have been involved in the construction of large, multiple purpose dams, harbors, waterways, and flood control projects, and they are responsible for maintaining 25,000 miles of navigational channels and the operation of 232 navigational locks.

The corps also provided the staff for the National Council on Public Works Improvement, and more so, in a continued commitment to our Nation's infrastructure, General Kelly has established a Corps Infrastructure Task Force which calls for building partnerships between the corps and other agencies of government. We commend the corps for its leadership and for its efforts on behalf of our Nation's infrastructure.

General Kelly, welcome, and you may begin.

TESTIMONY OF MAJ. GEN. PATRICK J. KELLY, DIRECTOR OF CIVIL WORKS, U.S. ARMY CORPS OF ENGINEERS, ACCOMPANIED BY KYLE SCHILLING, ACTING DIRECTOR OF THE INSTITUTE FOR WATER RESOURCES

General KELLY. Thank you, Mr. Chairman.

After following two absolutely fantastic keynote addresses by Congressmen Gephardt and Gingrich, I will try to do my very best. Assisting me and on my right is Mr. Kyle Schilling, the Acting Director of our Institute for Water Resources, a super organization that does a lot of our studies and thinking.

Also, with your permission, Mr. Chairman, I have a longer version of my statement that I would like to provide for the record, and I will just summarize it here.

The CHAIRMAN. No objection, so ordered.

General KELLY. We certainly appreciate the opportunity today to discuss the Nation's infrastructure. The Assistant Secretary of the

Army for Civil Works, Bob Page, is extremely interested in addressing infrastructure challenges of the Nation. Both of us are looking forward to working with all the committees of Congress as we go about tackling this challenge.

I am here to testify because the Corps of Engineers is actively involved, as you previously stated, in a vital part of our public works infrastructure through our Civil Works program. That is the Nation's Water Resources Program. I might also point out that through our military program we provide infrastructure support to the Army and the Air Force worldwide at their bases.

We have been working on the Nation's waterways since the 1824 Rivers and Harbors Act when Congress first appropriated funds for us to assist in the navigation of our Inland Waterways System. Waterways and ports were vital then, and they certainly are vital today.

Another Congressional initiative in 1824, the General Survey Act, sent our military engineers into new territories to form a national integrated network of canals, roads, and later on, railroads. Throughout the years, our lawmakers have been steadfast with their support to the Nation's infrastructure.

Physical fitness is a daily pursuit for millions of Americans, but we have largely overlooked the condition of America's physique, its roads, bridges, water, sewerage systems, public transport, canals, dams, harbors, and other public facilities. They are getting out of shape. Although we are holding our own, it is time now for us to take a good long look at America's foundation to see if it is falling apart or if it will hold up for future generations.

America's foundation is not now in ruins, but more and more studies indicate that it is certainly inadequate to meet future economic growth and development needs. The four studies that I am going to quickly summarize today all point to a definite need for some repair work.

We all know what needs to be done. The $64,000 dollar questions are: Who is going to pay? Who is going to do the work?

For our purposes, I am going to define infrastructure as facilities that are generally characterized by public ownership, have a high fixed cost, and have strong links to economic development and competitiveness. That definition, Mr. Chairman further amplifies the discussion that you had with Congressman Gephardt on economic development and competitiveness. As requested, I now will present a summary of four studies which most comprehensively address the status of the Nation's infrastructure. Those studies are: the Associated General Contractors' report, "America's Infrastructure—A Plan to Rebuild," which was published in the Spring of 1983; Congress' Joint Economic Committee report called "Hard Choices," which was published in February of 1984; the Congressional Budget Office report, "Public Works Infrastructure: Policy Considerations for the 1980s," which was published in April of 1983; and the most recent one, the report of the National Council on Public Works Improvement entitled "Fragile Foundations," which just came out a little over two years ago in February of 1988.

All four of these studies indicate that we have significant infrastructure challenges. Two of the studies, that is the AGC's and the Joint Economic Council's, essentially look at needs which when adjusted for similar infrastructure categories are on the order of somewhere near $1 trillion. Both studies tend to highlight structural improvements rather than lower cost operational alternatives.

The AGC's report recommends that Federal, state, and local governments give infrastructure top priority funding. According to the AGC, the crisis at hand is urgent and rebuilding is vital to economic revival, growth, and employment. They recommend increasing investment, setting up State infrastructure banks, and whenever and wherever it is possible, charging user fees for services.

The other needs study, done for the Joint Economic Committee of Congress, looks at three areas: surface transportation, water, and waste water systems. According to the Joint Economic Council, we have a nationwide problem, but the single most dominant need across the country is for highways and bridges. Again, this study points to new financing mechanisms for relief and urges that a coordinated national assessment program get underway.

Both studies agree that a large dollar investment is necessary. Neither study gets specific about setting spending priorities, and both of them focus exclusively on structural improvement, perhaps ignoring other lower cost alternatives. I believe that these reports, finished in 1983 and 1984, are good documents to draw attention to the magnitude of the problem.

In contrast to the two reports that I have just discussed, more recent reports recognize the reality of budget constraints at all levels of government and the need for efficient investment in the decision-making process. The Congressional Budget Office report, entitled "Public Works Infrastructure: Policy Considerations for the 1980s," and the National Council Study, entitled "Fragile Foundations," focus on what we have now and how well it is functioning.

These two studies also offer some suggestions of where to invest and how to come up with the additional dollars needed. Their policy considerations include: Adjusting federal user fees to correct any incentives for overuse or under use, limiting the federal role to public systems of national importance only, and redirecting federal assistance to alter its current bias toward capital investment. The Council's report found that our public works systems are barely adequate, even for today's needs. Furthermore, by the turn of the century, they will be worse, and according to the Council, unless we change course, our public works will be inadequate to meet the demands of future economic growth.

The Council put together eight public works categories which were graded on a performance scale from "A" to "F". Overall, the Nation earned a "C-minus" for public works. This is an interesting report card. It is telling us that we have not spent enough and we are not getting the best return for those dollars that we have spent.

According to the report, the relative share of public works spending at all levels of government has declined drastically from nearly 20 percent of total expenditures in 1950 to less than 7 percent in 1984. The Council recommends a national commitment from the Federal, state, local, and private sector, to double infrastructure investment. In 1985, this was roughly $45 billion, so by doubling that, we are talking about a range of $90–$100 billion per year by the beginning of the next century.

In addition, the pattern of spending has also changed. Capital outlays have decreased, but operation and maintenance spending has increased, particularly at the State and local levels.

The Council further recommends defining roles for Federal, state, and local governments, drawing on the federal trust funds, a subject which was of considerable interest by both of the previous speakers, beneficiaries paying a greater share of public works costs, incentives for maintaining the infrastructure, and additional support for research and development to speed up innovation, a subject which was covered in some detail by Congressman Gingrich.

Even though there are disagreements over what should be done, when, and by whom, all studies agree that providing public goods is a legitimate function of government. They also agree that infrastructure investments have made a positive contribution to our economic well-being. It is when we move from readily accepted general observations to specifics that opinions about financing begin to diverge, and economists are right in the middle of the fray.

Infrastructure and the level and direction of public investment continue to generate new ideas and arguments. For instance, David Aschauer, from the Federal Reserve Bank of Chicago found a strong link between public investment and productivity. Some of our major trading partners such as Japan, which have high rates of public works investment, have also achieved higher productivity.

Aschauer concludes then that public investment stimulates private investment and increases competitiveness. A decline in public investment causes businesses to absorb higher costs with lower productivity and competitiveness.

Now we have another perspective, which is offered by David Montgomery, who is a Senior Economist with the Congressional Budget Office. He offers the bottom up approach. That is: individual projects should be evaluated separately so that the total spending equals the sum of each. He strongly urges a benefit/cost analysis approach and is a proponent of looking at alternatives such as maintenance spending rather than only looking at new construction. This approach bypasses the debate about how much aggregate public spending is enough. Montgomery wants to see more use of beneficiary pay and cautions that public investment must not substitute for private investment.

Mr. Chairman, I would like to point out that our Congress is also active in infrastructure issues and there are a number of bills introduced in the 101st Congress both on the House side and in the Senate. Activity is also picking up all over the country. Groups like the National Governors Association, the American Society of Civil Engineers, the American Public Works Association, the U.S. Conference of Mayors, and the Rebuild America Coalition, from which you are going to have a speaker very shortly, are all committed to the infrastructure challenges. Virtually all of the studies that I have summarized indicate these challenges.

Based on review of the studies and proposals which I have summarized today, it appears that a sizable gap exists between infrastructure investment and dedicated resources. Implicit to moving forward is the value we have placed on infrastructure and what we are willing to pay for those values.

Large questions loom on the horizon. Will our infrastructure support the activities we need? Can we continue to grow and expand? Will we be able to remain competitive in an expanding world economy?

The Office of Technology Assessment released its first study this past week and its conclusions follow pretty much what the other studies have said. That is: we will have to come up with the money or we will have to eliminate or reduce programs and services.

All of the studies show that we need to focus on the role our infrastructure plays in economic competitiveness, the appropriate balance between private and public investment, and the criteria we use for spending and charging user fees. Furthermore, we need to do work on infrastructure research and development. This will drive all sectors of government and the private sector to search for more innovative and cost-saving solutions to many of our infrastructure problems.

Mr. Chairman, that concludes my statement. I will be happy to answer any questions that you or the committee members may have.

The CHAIRMAN. Thank you, General.

First, I would like to thank the corps for all the work that you have done in reviewing the four major studies. In your statement, you list eight areas that would require future interagency efforts. How would you prioritize these and what, if any, recommendations do you have toward attaining these goals?

General KELLY. Sir, I would not prioritize them. They are all important in their own area and they range, as you saw, all the way from highways and bridges to water resources and from hazardous toxic waste to solid waste.

What we need to do is, the Department of the Army needs to work in partnership with the other Federal agencies that are involved in infrastructure and, most importantly, to work with the State and local governments as we begin to address this problem and to put together the vision and the strategy that was mentioned by Congressman Gingrich in his statement earlier.

The CHAIRMAN. I was kind of hoping that you would prioritize them by reminding me about the helicopter trip I took you on down the coast of California, showing you ports and everything else.

General KELLY. Those are all in mind, Mr. Chairman.

The CHAIRMAN. Okay.

Mr. Stangeland?

Mr. STANGELAND. There can only be one "Glenn Anderson Channel," however. [Laughter.]

Mr. STANGELAND. General Kelly, I have a number of questions.

Mr. Chairman, I may ask that some of them be submitted for the record after my colleagues have completed their questioning.

General, I guess one major question would be: What other Federal agencies will participate with the Corps in the infrastructure initiative that is budgeted for fiscal year 1991, and is their participation funded through their own budgets, will they be reimbursed from Corps funding, or will they be expected to absorb those expenses through existing programs?

General **Kelly**. Mr. Stangeland, it will probably be a combination. The Federal agencies that we are trying to pull together for an infrastructure advisory board to address a national strategy include: the Army, Energy, Transportation, Agriculture, Housing and Urban Development, Veterans Affairs, Commerce, Interior, EPA, and the General Services Administration.

We are asking for about $3.35 million for a three-year program, of which the first year budget request for 1991 is $350,000. That is basically to put together the administration that will deal with the Task Force, and a portion of the funds will be used to do some initial studies to assist the advisory group as they address those problems. Most of the other agencies are going to have to take some of their own internal funds and personnel to assist.

Mr. **Stangeland**. Thank you. Could you explain for us the operations of the Inland Waterways Trust Fund? We have argued long and hard for the need to spend down the surpluses in Aviation and the Highway Trust Fund. Is there any parallel in the Corps' experience with the Inland Waterways Trust Fund?

General **Kelly**. I might point out that I think the Inland Waterways Trust Fund is a pretty successful example of spending down. That program started in about 1980 with, I think at that time, about four cents on every gallon of diesel fuel that was used by the tow boats in propelling the barges. That rose to about 10 cents in 1987 and 1988 and is slated to go to 20 cents by 1995.

At the present time, we have collected and expended some of those resources, and we now have about $300 million in the fund. Fifty percent of the new construction of our locks and dams is funded by that fund, with the remaining 50 percent from the general treasury.

We have eight projects now under construction. We probably have about another eight or 10 on line. The latest figures that I saw showed that by 1994 or 1995, that $300 million will probably be down to less than $100 million as we use the fund for construction of the eight locks and dams that we now have underway.

Mr. **Stangeland**. Just one last question—water quality improvements are one area of infrastructure investments that are mandated by statutory performance or standard-based criteria, most notably, secondary treatment standards for municipal sewage treatment plants. Would an emphasis on level of service and strict cost/benefit analysis apply to the construction of those treatment plants, perhaps resulting in a different level of water quality needs than that which is based on the current law's mandates?

General **Kelly**. That's a good question. Whether or not you need a waste water treatment plant is one thing. The cost/benefit analysis certainly would help there. But when you get involved in meeting regulatory requirements, that is when you need to have a lot of flexibility. Whatever strategy you develop has got to accommodate that.

Mr. **Stangeland**. I am often of a mind that we treat to meet a certain standard rather than checking the quality that comes out of the pipe in the end.

General **Kelly**. That is right.

Mr. STANGELAND. I want to thank you very much for your response, General, and look forward to working with you.

General **KELLY.** Thank you, sir.

The **CHAIRMAN.** Mr. Bosco?

Mr. Bosco. General, thank you for your presence here today. I know you have had to wait a long time to offer your testimony, but it was excellent.

I don't mean to be single-purposed in these hearings, but I am very concerned about the amount of time and money that gets wasted in the system. I know that it isn't always viewed as a waste, but in terms of your experience, are you finding that in building projects and in getting out there and actually moving the dirt to create what Congress asks you to create that it is getting worse or better in terms of the delays, the court suits, the bureaucracy, the red tape? I don't need to go further, but tell me: what is the picture out there?

General **KELLY.** I know you are probably going to be amazed by my answer, but I think it is getting better. Our experience in the last three years, since the Water Resources Development Act of 1986 was passed which introduced cost sharing and the element of the non-federal sector in working with us in partnership on our projects, has caused us to rethink how we ourselves do our business.

To be perfectly honest, a lot of the problems that we had could not be traced to some of the environmental laws or our coordination with the resource agencies but really are internal, and related to how we manage. We have made a concerted effort to reorganize ourselves. We have an entirely new management approach which looks at one person, a project manager, who will be with that project from start to finish. We look at ways to expedite the whole budgeting and planning process. The planning program typically used to take anywhere from seven to 10 years to take an idea from a local community up to the point where we are actually ready to turn dirt. Now that is down to probably four years or less. Mainly, we are looking at our internal operations and trying to come up with a better management approach.

Mr. Bosco. When you get out there in these communities to build roads, harbors, dams, or whatever, are you finding that you reach less resistance in terms of the bureaucratic requirements now, or is it more?

General **KELLY.** If we involve the community up front in our planning study, city, county, and also State, and we, the Corps of Engineers, let our sponsor act as the project proponent, we find out that they can handle political problems and in many cases environmental problems far better than we can. The combination of that partnership produces a much more effective way of proceeding, and we literally have cut down our time because of that.

Mr. Bosco. Thank you very much. That is certainly refreshing news.

The **CHAIRMAN.** Mr. Emerson.

Mr. **EMERSON.** Thank you, Mr. Chairman.

General, thank you very much for your statement. I agree in large measure with what you have said, generally, and also in your answer that you just gave to the gentleman from California, that as a follow on to the Water Resources Act of 1986, you have had a necessity to rethink your approach to how you do business. I think some very positive things have and can result from that, particularly as we look to the future.

However, there is a problem as we look to the past and to what has not been completed. I refer especially to the Mississippi River and Tributaries Project.

The Mississippi River is one of the most vital transportation arteries in the world. A lot of people don't necessarily think that way. As a matter of fact, there are people down home who don't think of it as that. They think of it as a serious problem to be dealt with, which it very often is, but it can also be our best friend.

I am concerned that the Mississippi River and Tributaries Project is never going to be completed. If we continue with the policy of insisting upon local cost sharing for projects that, as we view things here at the federal level, may appear to be small in dollars, but to a little community of 2,500 or 3,000 people who are seeking to develop economically—they just can't come up with the dollars that are necessary to build the pumping stations and some of the other things that are necessary in looking toward the completion of the MR&T project.

I would hope that we could go back and revisit that policy that resulted because of the 1986 act and that we could go ahead and finish the MR&T project as it was conceived. I think it is, what, about 85 percent complete?

General **Kelly**. It is generally in that vicinity.

Mr. **Emerson**. I think we ought to go ahead and finish it by the same ground rules that the 80–85 percent was constructed under because what we are talking about is a lot of small projects in the lower valley, small projects in relative terms to what we talk about in this committee and in other committees of the Congress, but that are real obstacles so far as local communities coming up with the cost share.

Another problem that lies out there as it related to infrastructure, quite frankly, is the wetlands issue and what impact section 404 is going to have upon our system of levees and drainage districts and drainage ditches and what have you. We know that this is up in the air right now.

I represent a district that is the boot heel of Missouri, which was once a swamp in its entirety. It was drained under the act that you referred to. I have gone back and read the old documents that came along talking about the surveys in the 1830s and 1840s as they related to Southeastern Missouri. Ultimately, we were drained and now we have some of the richest farmland in the world and we certainly do not want to revert to being restored to our original wetlands characterization. We have come a long way since the 1830s and 1840s.

We believe in mitigation and conservation and most farmers are also duck hunters, but we have got to get a better definition of wetlands than we now have. I realize that it is not just the corps that is involved here. There are several other agencies of the government involved and we are competing for whose definition is the right definition.

I know that you are presented with terrible 404 problems even as it relates to catfish ponds and rice levees. I encourage you to move forward in deliberations on this subject so that we really know what we are dealing with. If necessary, Congress can respond and write into the law one definition of wetlands as opposed to the current four that exist. There is massive confusion out there.

This is not something that can afford to be put on the back burner for a long time. It is something that we need to deal with much sooner rather than later.

General KELLY. We have addressed that partly in January of 1989. We finally agreed with the resource agencies on a common wetlands definition and criteria that we now use. That has at least standardized and simplified the approach. We continue to work with the resource agencies to make sure, though, that we always have a proper balance as we apply that definition and criteria.

Mr. EMERSON. Thank you, and thank you, Mr. Chairman.

The CHAIRMAN. Mr. Nowak?

Mr. NOWAK. Thank you, Mr. Chairman.

It's nice to see you this morning, General. We have covered a lot of different areas this morning.

You are before the committee with this very broad view of the infrastructure needs. Certainly, the Corps of Engineers has played a very important role in certain of these areas.

You discussed earlier the Inland Waterways Fund and made the remark that you have $300 million in there as an approximate fund balance at the present time and have under consideration 8 to 10 different projects that would draw down the fund as you went forward.

General KELLY. Mr. Nowak, those are already under construction. The fund is being drawn down now because of those 8 to 10 projects.

Mr. NOWAK. You mentioned that you had eight already under construction and that you had eight or 10, which is the number you used, under consideration for the future.

General KELLY. Yes, sir, that is correct.

Mr. NOWAK. You mentioned that by 1994, you would be down to $100 million.

General KELLY. That is correct.

Mr. NOWAK. The drawing down of that amount to $100 million, knowing the distance that we have to travel in rehabilitating one large lock or small lock for that matter—I am wondering, even with the increase in the fee—we set this up as a consensus kind of alternative for user fees that would make sense for this segment of our transportation industry—I am wondering if you can match the projections against the local cost that is going to be funded from this $300 million? If they match up over, say a 10 year period, as we get into these other eight or 10 projects that are anticipated to come under construction in the years ahead, do we have adequate resource in there to fund and keep that lock and dam system open?

General KELLY. It will be close. A lot depends upon the growth in the barge traffic. That is projected to be about 1.5 percent per year. It also depends upon the inflation index and the interest rate. If you go through those calculations, for every 10 years, under existing conditions, we can probably add about three or four new lock replacements during that period.

Mr. NOWAK. Does the Corps have a system planned out for replacing a specific lock in a specific year frame that you match up with the revenue that is generated?

General KELLY. Yes, we do.

Mr. NOWAK. I wonder if we could have that for the record?

General KELLY. Certainly, sir.

[The following was received from General Kelly:]

ASSESSMENT OF ALTERNATIVE ASSUMPTIONS OF OUTLAYS AND REVENUES FOR THE INLAND WATERWAYS TRUST FUND

Prepared for the

Inland Waterways User Board

27 March 1990

QUALIFYING STATEMENT AND DISCLAIMER:

This document presents a series of projections for the Inland Waterways Trust Fund based on alternative assumptions of growth in receipts, alternative interest rates and alternate combinations of potential outlays. These projections are for macro-planning purposes only. No final determination of the economic justification or environmental acceptability of projects, no final decision on the cost, size, or location of future projects shown, and no Administration or Corps of Engineers commitment to request funds to proceed with potential construction are implied with this analysis except for projects under construction or proposed for construction in the FY90 Budget.

U.S. ARMY ENGINEERS INSTITUTE FOR WATER RESOURCES

CASEY BUILDING, FORT BELVOIR, VIRGINIA 22060-5586

ASSESSMENT OF ALTERNATIVE ASSUMPTIONS OF OUTLAYS AND REVENUES FOR THE INLAND WATERWAYS TRUST FUND

DISCUSSION

The following analysis of the Inland Waterways Trust Fund is based on available information from the Life Cycle Project Management (LCPM) system and guidance provided by the Planning Division, HQUSACE. Five alternate scenarios of new or replacement lock and dam construction projects are analyzed, each at two different inflation and interest rates. The five scenarios are as follows:

a. Eight projects under construction or in the construction program;

b. The eight above, plus Inner Harbor Lock on the GIWW at New Orleans;

c. The eight above, plus McAlpine Lock on the Ohio River;

d. The eight above, plus McAlpine, plus a single replacement lock and dam on the Monongahela River for existing Mon Locks 3 and 4.

e. The ten above, plus Inner Harbor.

Each of these five scenarios is analyzed twice using alternative assumptions of inflation and interest rates. These are as follows:

1. OMB: The LCPM system provided construction cost estimates and schedules of expenditures by year for the eight authorized projects now under construction or in the construction program and for McAlpine Lock and Dam. These estimates were prepared using OMB guidance on inflation (averaging 2% annually) and an assumed interest rate of 6%. For the two remaining projects (Inner Harbor and Mon 3&4 Replacement) for which schedules of expenditures are not available, a "normal" (bell-shaped) distribution of expenditures is assumed. For the single replacement structure for Monongahela locks 3 and 4, project cost and start year estimates are from the Inland Navigation Regional Investment Plan (July 1989). Due to uncertainties over the type and location of a replacement lock for Inner Harbor, November 1988 cost estimates and an eight year construction schedule have been used to be consistent with earlier analyses presented to ASA(CW) and the Inland Waterway User Board.

2. DRI: A second analysis of each of the five construction scenarios was performed using an alternative rate of inflation (5%) and interest rates (8%), which are in line with forecasts developed by Data Resources Inc. (DRI) and other private analysts.

CHANGES FROM EARLIER ANALYSES

Expenditure schedules by year have been changed for several projects from earlier analyses presented to ASA(CW) and the User Board, based on the latest available information from the Life Cycle Project Management System. Slightly lower expenditures are expected in the near term for Gallipolis and Oliver, but are offset by higher expenditures in later years. Total projects costs are essentially unchanged from earlier analyses, except for Olmsted under higher inflation assumptions. Construction at Winfield runs a year longer to 1996, spreading the previous 1995 outlay over two years. The most significant changes are at Olmsted, which shifts sizable expenditures from years 1993 through 1996 to 1997 and later, as well as running a year longer to 2006. Lastly, a schedule is now available for McAlpine which indicates lower outlays through 1997 and higher outlays afterward than were presented in earlier analyses.

FINDINGS

The results of the analyses are presented in the following series of tables and graphs. Each scenario (A - E) has four tables (1a, 1b, 2a, 2b). Tables 1a and 1b address the project cost and trust fund balance using OMB inflation and interest rates, while tables 2a and 2b show DRI inflation and interest rates. Scenario E includes two additional tables (for a total of 6) to assess the impact of delaying project construction to avoid a deficit in the trust fund (discussed in greater detail below). The graphs show the impact of these alternative construction scenarios on the trust fund balance. Figure 1 shows the balance with construction of all eleven projects under both inflation analyses and with the delay in the construction start year. Figure 2 is a composite of several construction scenarios using the OMB inflation rate. Likewise, Figure 3 is a composite of several construction scenarios using the DRI inflation rate.

OMB: Under inflation and interest rate assumptions from OMB, all projects can be built under each scenario based on project construction costs and schedules of expenditures provided. The revised outlay schedules for McAlpine and Olmsted (delaying more of the outlays to later years) permit construction to start at Inner Harbor and Mon 3 & 4 (replacement) on schedule without causing a deficit.

DRI: Under the higher inflation and interest rate assumptions from DRI, all projects can still be built on schedule under scenarios A through D. However, in scenario E (all projects), Inner Harbor Lock cannot be constructed on schedule in 1995 without causing a deficit in the trust fund during the period 2000 -- 2002 (see Table E-2b-1). If trust fund expenditures are then constrained to avoid a deficit, construction of Inner Harbor Lock must be delayed two years to allow sufficient revenues to accumulate (Tables E-2a-2 and E-2b-2). This delay shifts peak expenditure years for Inner Harbor until after 2000, when expenditures for Olmsted and McAlpine are declining.

In summary, this analysis shows that the eight projects now underway can be built on schedule, even if inflation runs higher than OMB is estimating. In addition, another lock on the scale of the project envisioned at McAlpine ($265-348 million after inflation) can be initiated in 1995, plus another project in 1998 on the scale of the Mon 3&4 Replacement ($380-525 million after inflation), without causing a deficit in the trust fund. However, a project on the scale of Inner Harbor ($6C5-818 million after inflation) cannot be funded in 1995 (in addition to the other ten projects) if inflation runs closer to DRI forecasts and would have to be delayed until sufficient revenues accumulate in the trust fund.

The tables and figures follow. Table 1 offers a summary of total project cost, uninflated and for each inflation scenario. Tables A-1a through E-2b-2 follow, displaying the results of each scenario. Figures 1-3 provide graphs of the impacts of the various scenario analyses on the trust fund balance.

TABLE 1

TOTAL PROJECT COST ESTIMATES
UNINFLATED AND WITH OMB (2%) AND DRI (5%) INFLATION RATES

Project	Uninflated Cost	OMB Inflation ($ Million)	DRI Inflation
Bonneville	308.9	327.9	337.0
Gallipolis	333.0	345.0	365.0
L&D 26	216.0	230.0	238.0
Oliver L&D*	111.0	111.0	111.0
L&D 7	157.5	168.0	177.0
L&D 8	91.1	96.4	100.0
Winfield	185.0	203.0	221.0
Olmsted	816.0	990.0	1,262.0
McAlpine	219.4	265.0	348.0
Mon 3&4	306.8	381.4	524.0
Inner Harbor	492.0	605.3	818.0

TABLE A-1a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

Project	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	327.9
Gallipolis	1987	13	345.0
L&D 26	1988	6	230.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	168.0
L&D 8	1989	5	96.4
Winfield	1989	7	203.0
Olmsted	1993	14	990.0
		TOTAL	$ 2,471.3

TABLE A-1b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
		($ MILLION)		
1987				300.6
1988	78.7	48.0	25.7	295.5
1989	57.7	49.1	17.7	304.7
1990	134.3	55.1	18.3	243.9
1991	137.7	66.6	14.6	187.5
1992	140.5	78.5	11.2	136.8
1993	88.3	91.0	8.2	147.7
1994	45.0	103.9	8.9	215.5
1995	105.7	111.8	12.9	234.6
1996	84.3	125.7	14.7	290.0
1997	99.0	128.4	17.4	336.9
1998	48.5	131.3	20.2	439.8
1999	32.6	134.2	26.4	567.8
2000	18.6	137.1	34.1	721.0
2001	28.6	140.1	43.3	876.4
2002	23.0	143.2	52.6	1049.2
2003	27.0	146.4	62.9	1231.5
2004	22.0	149.6	73.9	1432.9
2005	33.0	152.9	86.0	1638.8
2006	9.5	156.2	98.3	1883.8
2007	0.0	159.7	113.0	2156.5

TABLE B-1a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS INNER HARBOR
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	327.9
Gallipolis	1987	13	345.0
L&D 26	1988	6	230.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	168.0
L&D 8	1989	5	96.4
Winfield	1989	7	203.0
Olmsted	1993	14	990.0
Inner Harbor	1995	8	605.3
		TOTAL	$ 3,076.6

TABLE B-1b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS INNER HARBOR
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	25.7	295.5
1989	57.7	49.1	17.7	304.7
1990	134.3	55.1	18.3	243.9
1991	137.7	66.6	14.6	187.5
1992	140.5	78.5	11.2	136.8
1993	88.3	91.0	8.2	147.7
1994	45.0	103.9	8.9	215.5
1995	120.8	111.8	12.9	219.4
1996	114.6	125.7	13.2	243.7
1997	144.4	128.4	14.6	242.4
1998	109.0	131.3	14.5	279.2
1999	93.1	134.2	16.7	336.9
2000	63.4	137.1	20.2	430.9
2001	58.3	140.1	25.9	538.6
2002	38.1	143.2	32.3	676.0
2003	27.0	146.4	40.6	835.9
2004	22.0	149.6	50.2	1013.6
2005	33.0	152.9	60.8	1194.3
2006	9.5	156.2	71.7	1412.7
2007	0.0	159.7	84.8	1657.1

TABLE C-1a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

Project	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	327.9
Gallipolis	1987	13	345.0
L&D 26	1988	6	230.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	168.0
L&D 8	1989	5	96.4
Winfield	1989	7	203.0
Olmsted	1993	14	990.0
McAlpine	1995	5	265.0
		TOTAL	$ 2,736.3

TABLE C-1b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

($ MILLION)

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	25.7	295.5
1989	57.7	49.1	17.7	304.7
1990	134.4	55.1	18.3	243.8
1991	138.2	66.6	14.6	186.8
1992	141.1	78.5	11.2	135.5
1993	89.5	91.0	8.1	145.1
1994	46.2	103.9	8.7	211.6
1995	106.8	111.8	12.7	229.3
1996	89.7	125.7	13.8	279.1
1997	112.4	128.4	16.7	311.9
1998	88.0	131.3	18.7	374.0
1999	72.9	134.2	22.4	457.7
2000	51.9	137.1	27.5	570.4
2001	28.0	140.1	34.2	716.7
2002	23.0	143.2	43.0	879.9
2003	27.0	146.4	52.8	1052.1
2004	22.0	149.6	63.1	1242.8
2005	33.0	152.9	74.6	1437.2
2006	9.5	156.2	86.2	1670.2
2007	0.0	159.7	100.2	1930.1

TABLE D-2a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE AND MON 3 & 4 REPLACEMENT DRI INFLATION (5%) AND INTEREST EARNED (8%) MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	221.0
Olmsted	1993	14	1,262.0
McAlpine	1995	5	348.0
Mon 3&4	1998	5	524.0
		TOTAL	3,683.0

TABLE D-2b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE AND MON 3 & 4 REPLACEMENT
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.1	55.1	27.4	264.8
1991	142.3	66.6	22.8	211.8
1992	148.3	78.5	18.4	160.5
1993	96.2	91.0	14.1	169.4
1994	51.4	103.9	14.7	236.7
1995	122.6	111.8	20.4	246.3
1996	106.0	125.7	21.2	287.2
1997	136.7	128.5	24.7	303.7
1998	136.3	131.3	25.5	324.1
1999	146.3	134.2	26.9	338.9
2000	173.7	137.1	28.1	330.5
2001	90.6	140.1	27.1	407.3
2002	58.5	143.2	33.4	525.1
2003	39.1	146.4	43.1	675.4
2004	32.8	149.6	55.4	847.5
2005	50.6	152.9	69.5	1,019.3
2006	15.0	156.2	83.6	1,244.1
2007	0.0	159.7	102.0	1,505.8

TABLE E-2a-1

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNER HARBOR
DRI INFLATION (5%) AND INTEREST EARNED (8%)
UNCONSTRAINED BALANCE
MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	221.0
Olmsted	1993	14	1,262.0
McAlpine	1995	5	348.0
Mon 3&4	1998	5	524.0
Inner Harbor	1995	8	818.0
		TOTAL	4,501.0

TABLE E-2b-1

SUMMARY CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNER HARBOR
DRI INFLATION (5%) AND INTEREST EARNED (8%)
UNCONSTRAINED BALANCE
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.1	55.1	27.4	264.8
1991	142.3	66.6	22.8	211.8
1992	148.3	78.5	18.4	160.5
1993	96.2	91.0	14.1	169.4
1994	51.4	103.9	14.7	236.7
1995	143.0	111.8	20.4	225.8
1996	146.9	125.7	19.4	224.1
1997	198.0	128.4	19.3	173.8
1998	218.2	131.3	14.6	101.5
1999	228.1	134.2	8.4	16.0
2000	235.0	137.1	1.3	-80.6
2001	131.6	140.1	0.0	-72.0
2002	79.0	143.2	0.0	-7.8
2003	39.1	146.4	0.0	99.5
2004	32.8	149.6	8.2	224.4
2005	50.6	152.9	18.4	345.1
2006	15.0	156.2	28.3	514.6
2007	0.0	159.7	42.2	716.5

TABLE E-2a-2

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNNER HARBOR DRI INFLATION (5%) AND INTEREST EARNED (8%) CONSTRAINED BALANCE MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	121.0
Olmsted	1993	14	1,262.0
McAlpine	1995	5	348.0
Mon 3&4	1998	5	524.0
Inner Harbor	1997	8	901.9
		TOTAL	4,584.9

TABLE E-2b-2

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNER HARBOR
DRI INFLATION (5%) AND INTEREST EARNED (8%)
CONSTRAINED BALANCE
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.1	55.1	27.4	264.8
1991	142.3	66.6	22.8	211.8
1992	148.3	78.5	18.4	160.5
1993	96.2	91.0	14.1	169.4
1994	51.4	103.9	14.7	236.7
1995	122.6	111.8	20.4	246.3
1996	106.0	125.7	21.2	287.2
1997	159.2	128.4	24.7	281.1
1998	181.4	131.3	23.6	254.6
1999	213.9	134.2	21.1	195.6
2000	263.9	137.1	16.3	85.5
2001	180.8	140.1	7.0	51.7
2002	126.2	143.2	4.2	73.0
2003	84.2	146.4	6.0	141.2
2004	55.3	149.6	11.6	247.0
2005	50.6	152.9	20.3	369.5
2006	15.0	156.2	30.3	541.0
2007	0.0	159.7	44.4	745.1

Figure 1

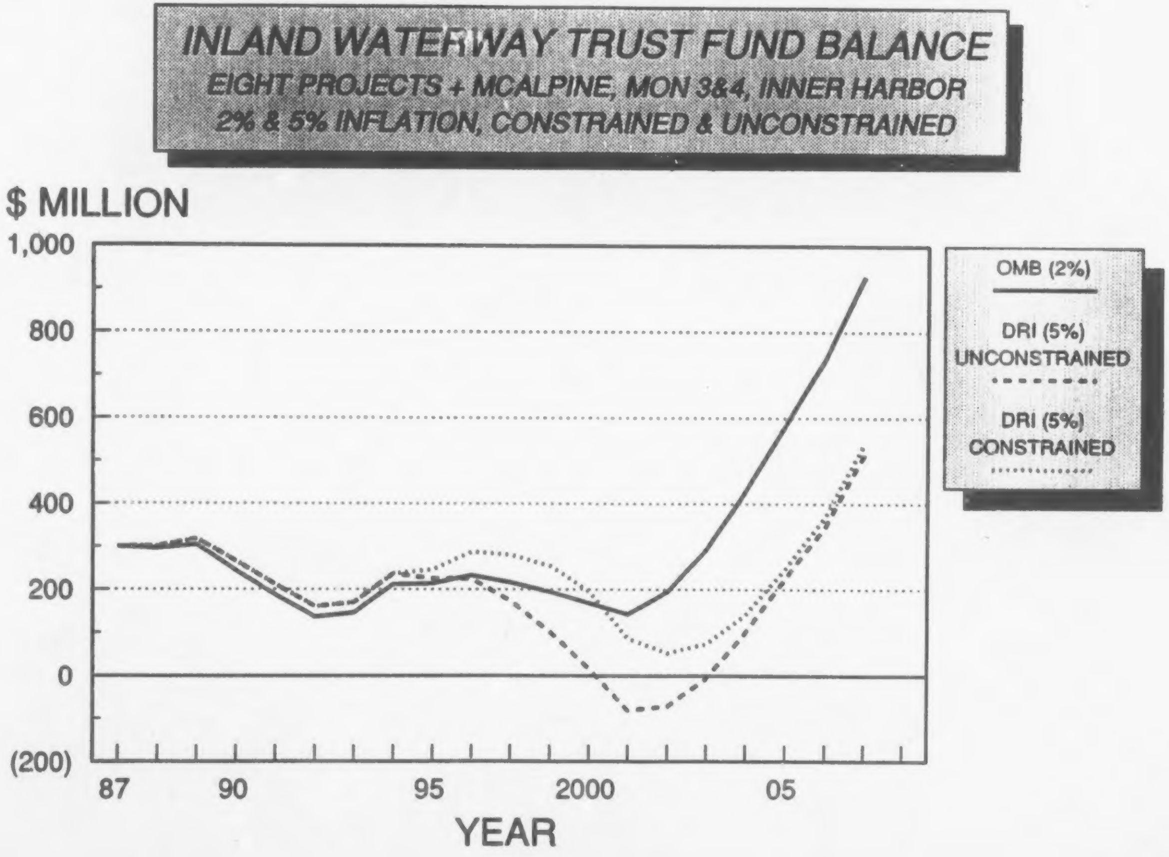

INLAND WATERWAY TRUST FUND BALANCE
EIGHT PROJECTS + MCALPINE, MON 3&4, INNER HARBOR
2% & 5% INFLATION, CONSTRAINED & UNCONSTRAINED
$ MILLION
1,000
800
600
400
200
0
(200)
87
90
95
2000
05
YEAR
OMB (2%)
DRI (5%) UNCONSTRAINED
DRI (5%) CONSTRAINED

Figure 2

INLAND WATERWAY TRUST FUND BALANCE

ALTERNATIVE CONSTRUCTION SCENARIOS: 2% INFLATION

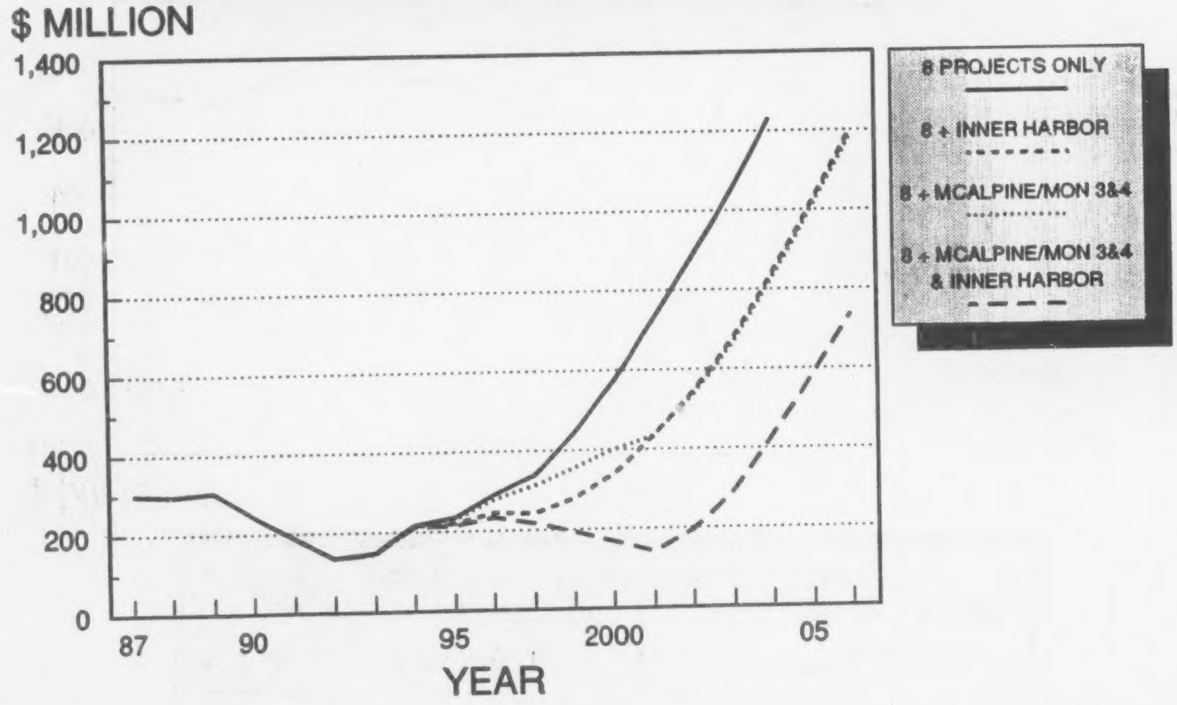


Figure 3

INLAND WATERWAY TRUST FUND BALANCE
ALTERNATIVE CONSTRUCTION SCENARIOS: 5% INFLATION
(UNCONSTRAINED & CONSTRAINED)

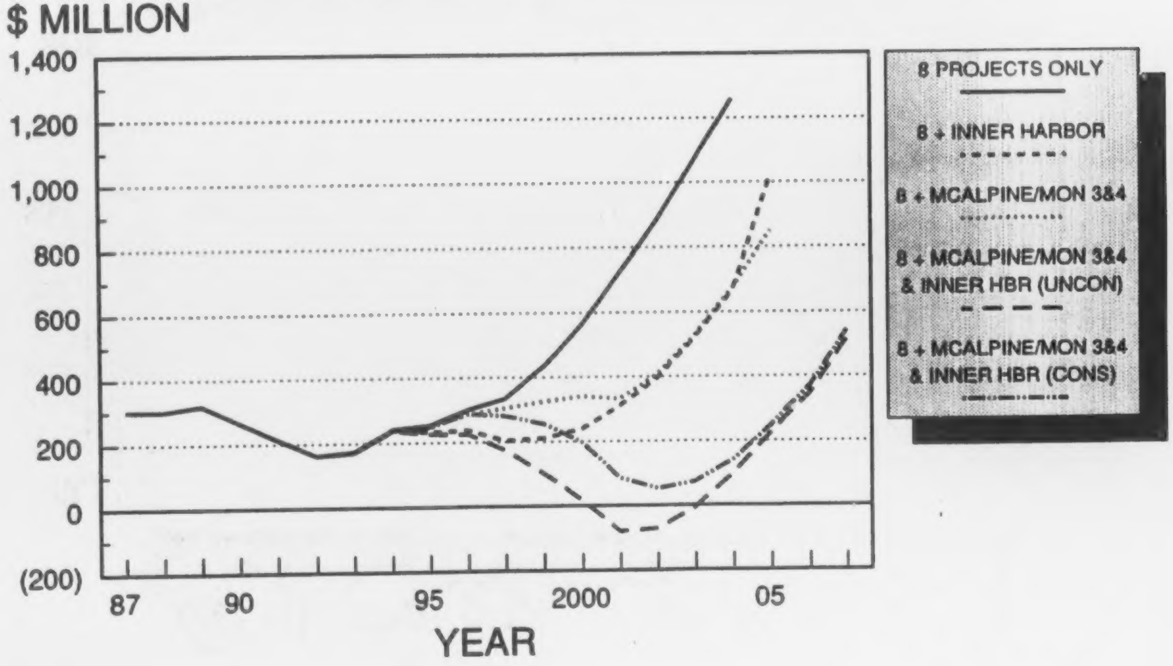


TABLE D-1a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE AND MON 3 & 4 REPLACEMENT OMB INFLATION (2%) AND INTEREST EARNED (6%) MARCH 1990

Project	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	327.9
Gallipolis	1987	13	345.0
L&D 26	1988	6	230.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	168.0
L&D 8	1989	5	96.4
Winfield	1989	7	203.0
Olmsted	1993	14	990.0
McAlpine	1995	5	265.0
Mon 3&4	1998	5	381.4
		TOTAL	$ 3,117.7

TABLE D-1b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE AND MON 3 & 4 REPLACEMENT
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

($ MILLION)

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	25.7	295.5
1989	57.7	49.1	17.7	304.7
1990	134.4	55.1	18.3	243.8
1991	138.2	66.6	14.6	186.8
1992	141.1	78.5	11.2	135.5
1993	89.5	91.0	8.1	145.1
1994	46.2	103.9	8.7	211.6
1995	106.8	111.8	12.7	229.3
1996	89.7	125.7	13.8	279.1
1997	112.4	128.4	16.7	311.9
1998	107.0	131.3	18.7	354.9
1999	111.0	134.2	21.3	399.4
2000	128.2	137.1	24.0	432.2
2001	66.1	140.1	25.9	532.2
2002	42.1	143.2	31.9	665.2
2003	27.0	146.4	39.9	824.5
2004	22.0	149.6	49.5	1001.6
2005	33.0	152.9	60.1	1181.5
2006	9.5	156.2	70.9	1399.2
2007	0.0	159.7	84.0	1642.8

TABLE E-1a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNER HARBOR OMB INFLATION (2%) AND INTEREST EARNED (6%)

MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	327.9
Gallipolis	1987	13	345.0
L&D 26	1988	6	230.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	168.0
L&D 8	1989	5	96.4
Winfield	1989	7	203.0
Olmsted	1993	14	990.0
McAlpine	1995	5	265.0
Mon 3&4	1998	5	381.4
Inner Harbor	1995	8	605.3
		TOTAL	3,723.0

TABLE E-1b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE, MON 3 & 4 REPLACEMENT AND INNER HARBOR
OMB INFLATION (2%) AND INTEREST EARNED (6%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	25.7	295.5
1989	57.7	49.1	17.7	304.7
1990	134.4	55.1	18.3	243.8
1991	138.2	66.6	14.6	186.8
1992	141.1	78.5	11.2	135.5
1993	89.5	91.0	8.1	145.1
1994	46.2	103.9	8.7	211.6
1995	121.9	111.8	12.7	214.2
1996	119.9	125.7	12.8	232.8
1997	157.7	128.4	14.0	217.4
1998	167.6	131.3	13.0	194.2
1999	171.5	134.2	11.7	168.5
2000	173.6	137.1	10.1	142.1
2001	96.4	140.1	8.5	194.4
2002	57.2	143.2	11.7	292.1
2003	27.0	146.4	17.5	428.9
2004	22.0	149.6	25.7	582.3
2005	33.0	152.9	34.9	737.1
2006	9.5	156.2	44.2	928.0
2007	0.0	159.7	55.7	1,143.4

TABLE A-2a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	221.0
Olmsted	1993	14	1,262.0
		TOTAL	2,811.0

TABLE A-2b
SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
DRI INFLATION (5%) AND INTEREST EARNED (6%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.0	55.1	27.4	264.9
1991	141.7	66.6	22.8	212.5
1992	147.6	78.5	18.5	161.9
1993	94.9	91.0	14.3	172.3
1994	50.1	103.9	15.0	241.1
1995	121.3	111.8	20.7	252.3
1996	99.6	125.7	21.7	300.1
1997	120.4	128.4	25.8	333.9
1998	60.8	131.3	28.1	432.5
1999	42.0	134.2	35.9	560.6
2000	23.9	137.1	46.5	720.3
2001	38.3	140.1	59.1	881.3
2002	32.4	143.2	72.3	1,064.4
2003	39.1	146.4	87.3	1,258.9
2004	32.8	149.6	103.2	1,478.9
2005	50.6	152.9	121.3	1,702.5
2006	15.0	156.2	139.6	1,983.3
2007	0.0	159.7	162.6	2,305.6

TABLE B-2a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS INNER HARBOR
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	221.0
Olmsted	1993	14	1,262.0
Inner Harbor	1995	8	818.0
		TOTAL	3,629.0

TABLE B-2b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS INNER HARBOR
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.0	55.1	27.4	264.9
1991	141.8	66.6	22.8	212.5
1992	147.6	78.5	18.5	161.9
1993	94.9	91.0	14.3	172.3
1994	50.1	103.9	15.0	241.1
1995	141.8	111.8	20.7	231.9
1996	140.5	125.7	19.9	237.0
1997	181.8	128.4	20.4	204.1
1998	142.6	131.3	17.1	209.9
1999	123.8	134.2	17.4	237.7
2000	85.3	137.1	19.7	309.3
2001	79.2	140.1	25.4	395.6
2002	52.8	143.2	32.4	518.5
2003	39.1	146.4	42.5	668.2
2004	32.8	149.6	54.8	839.8
2005	50.6	152.9	68.9	1,011.0
2006	15.0	156.2	82.9	1,235.1
2007	0.0	159.7	101.3	1,496.0

TABLE C-2a

SUMMARY OF EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

	Start Year	Construction Duration (Years)	Total Project Cost with Inflation ($ Million)
Bonneville	1987	7	337.0
Gallipolis	1987	13	365.0
L&D 26	1988	6	238.0
Oliver L&D	1987	7	111.0
L&D 7	1988	8	177.0
L&D 8	1989	5	100.0
Winfield	1989	7	221.0
Olmsted	1993	14	1,262.0
McAlpine	1995	5	348.0
		TOTAL	3,159.0

TABLE C-2b

SUMMARY OF CASH FLOWS-INLAND WATERWAY TRUST FUND
EIGHT SCHEDULED INLAND NAVIGATION PROJECTS
PLUS MCALPINE
DRI INFLATION (5%) AND INTEREST EARNED (8%)
MARCH 1990

YEAR	ESTIMATED OUTLAYS	TAX REVENUES	INTEREST EARNINGS	YEAR-END BALANCES
1987				300.6
1988	78.7	48.0	31.7	301.6
1989	57.7	49.1	25.3	318.3
1990	136.1	55.1	27.4	264.8
1991	142.3	66.6	22.8	211.8
1992	148.3	78.5	18.4	160.5
1993	96.2	91.0	14.1	169.4
1994	51.4	103.9	14.7	236.7
1995	122.6	111.8	20.4	246.3
1996	106.0	125.7	21.2	287.2
1997	136.7	128.4	24.7	303.7
1998	110.2	131.3	25.5	350.3
1999	93.9	134.2	29.1	419.7
2000	68.9	137.1	34.8	522.7
2001	38.3	140.1	42.9	667.7
2002	32.4	143.2	54.7	833.1
2003	39.1	146.4	68.3	1,008.6
2004	32.8	149.6	82.7	1,208.1
2005	50.6	152.9	99.1	1,409.5
2006	15.0	156.2	115.6	1,666.3
2007	0.0	159.7	136.6	1,962.6

Mr. **Nowak**. As we move forward and we look at the broad range of infrastructure, user fees are going to become more and more prominent. We may not raise taxes, but we are going to enhance revenue through user fees, probably, and the airport tax of this year, or airport user fee, I guess we should call it. I am just wondering, in this system which is so important to so many in our country, is there no opportunity for any of the locks to fail before their scheduled maintenance or rehabilitation is performed? I don't know what assurance you could give me here except that they are being inspected on a regular basis. Is that correct?

General **Kelly**. Of course, the older the lock, the more frequent it is, but generally, we go into a major maintenance cycle for most of our locks and dams about every six to eight years.

Mr. **Nowak**. The problem we had with a little lock up in Welland, Ontario, which takes the 26-foot draught ships through the Welland Canal and up through the St. Lawrence, was that one of those caved in a few years ago, as you know. We had 400 or 500 boats that had to change their schedules while that was being put together again. It was a huge cost to those Great Lakes shippers as well as to everybody else that had a role in that system.

Do you feel that there is enough preventive maintenance that you would not have a closure or cave-in of that magnitude on our lower locks?

General **Kelly**. We probably do not have enough operations and maintenance funds to handle it to the degree that you have just described, but with what we have, I think we do a pretty efficient job.

Mr. **Nowak**. They are all operating, but I sense from many of the barge operators that they are very, very concerned that something like that could happen if we do not at least increase the inspections and look at the real possibilities of something closing. As you well know, once a lock is closed, that whole system may be shut down for the entire season.

General **Kelly**. Yes, sir, a lock closure is extremely costly.

Mr. **Nowak**. I would appreciate any recommendations you could give me of increasing those kinds of inspections to be as sure as we possibly can be. Since we have the user fee money there, I would think that perhaps it would be prudent to use some of that for that kind of inspection. If you needed more authority for that, as you know, we will be looking at passing a water resources bill this year again. With the projects already submitted, it seems to me that it would be a relatively small amount of money to ensure against a great disappointment.

Let me turn to another subject. The change over the last several years in the Corps' leadership has made a large difference in a factor that you mentioned, the management of the system, so that a project, once undertaken and started into, has had its time frame shortened from that seven to 10 years down to about four years before we can move into it. Along with that improvement, the Corps is to be congratulated on another large development. It is really a reality, not a perception, of the Corps' looking at a broader environmental impact.

I think that you touched upon it when you mentioned the kind of cooperative ventures that you are entering into with the cost sharing. The broader input that you are getting on the front end and the local input have really made a terrific difference in several of the projects that I have gone out to see, especially the terrific kind of response the Corps' people have had with the community leaders and the communities in general. I think that extra effort saves an immense amount of time and dollars on the other side of the road.

I would hope that you would encourage and keep broadening that perspective. I think the Corps' reputation for building sort of overshadowed its environmental perception out there, but I think that is changing, too. I think that a lot of people can look forward to that kind of involvement and I would encourage that as you go along with the whole Infrastructure Task Force that you are dealing with. I think that will enable a lot of these projects to move forward in much better shape.

I congratulate you for all the improvements you have made and look forward, of course, to the water resource bill as we move forward this year.

General KELLY. I might point out, Mr. Chairman, that both Assistant Secretary Bob Page and my boss, General Hatch, feel very, very strongly about the fact that there is a major role for the Corps of Engineers to play in solving some of our environmental problems. It is going to require engineering solutions, and they have the Corps working very closely with the resource agencies and the environmental groups to try to address that. Your perception is absolutely correct.

Mr. NOWAK. It has been my experience that the environmental engineers in the Corps have great expertise and ability. I think it just has to be released and shown to the general community that there is that very deep, abiding concern.

Maybe it is a shift. We talked about the history of the Corps going out West to do a different mission. It may be that that mission is shifting now, especially when we look at the tremendous release of energy that the Corps could have positively in this whole infrastructure area, not only in the water resources portion.

There are an awful lot of small bridges and roads that could be worked upon. We look forward to your involvement in all of these areas.

General KELLY. Thank you, sir.

The CHAIRMAN. Mr. Geren?

Mr. GEREN. No questions, Mr. Chairman.

The CHAIRMAN. General Kelly, thank you very much for an excellent presentation.

General KELLY. Thank you, Mr. Chairman.

[The prepared statement of General Kelly appears on p. 119.]

The CHAIRMAN. Our next and final witness today is Mr. John Horsley, the Chairman of the Board of Commissioners of Kitsap County, Washington, who founded the Rebuild America Coalition.

Rebuild America is a broad coalition of about 50 public and private organizations committed to the infrastructure challenges and the need to protect America's investment in the entire range of public facilities.

Mr. Horsley, we appreciate the work that the Rebuild America Coalition has done in addressing America's infrastructure problems and in providing solutions to those problems. We look forward to hearing from you today.

TESTIMONY OF JOHN HORSLEY, CHAIRMAN, BOARD OF COUNTY COMMISSIONERS, KITSAP COUNTY, WA, REPRESENTING THE REBUILD AMERICA COALITION

Mr. HORSLEY. Thank you, Mr. Chairman.

On behalf of the Rebuild America Coalition, we want to thank you very much for you leadership, Mr. Chairman, in holding this series of hearings that are of vital interest to the future of our country. This particular hearing reminds me of a session we held with the Board of Supervisors in Los Angeles about 2 or 3 years ago where you and Mr. Howard very patiently listened through reams and reams of testimony of just about every local official in Southern California.

I was the last witness then as well. I am convinced, Mr. Chairman, that you have a cast iron constitution.

What we are prepared to do in our presentation today is to present considerable documentation that the various members of the Rebuild America Coalition have put together. You see many of the displays across the back of the room documenting the tremendous need for action. The Rebuild America Coalition has put together this latest document, "America's Infrastructure: Preserving our Quality of Life," which we are passing out to each member of the committee and which we want to submit for the record.

In a few minutes, you will get to see a video tape that your committee staff, with the technical resources of the Rebuild America Coalition, put together for use here in this committee and hopefully in other settings to tell the story. Before we get to the video tape, I would like to do two things, Mr. Chairman. I would like to submit our formal presentation for the record. It has been a long morning for all of you and we respect your time, so I ask it that be placed in the record. Then I would like to make some brief remarks before we get into the video tape.

The CHAIRMAN. With no objection, we will take your statement as I have it here. That will be made a part of the record.

Mr. HORSLEY. Thank you very much.

Mr. Chairman, on behalf of the Rebuild America Coalition, let me say that we are optimistic today. With the dramatic changes taking place around the world, especially in Europe, we see the Cold War fading and a new recognition of the dynamics of what lies ahead as to the future of the United States and our interests. There is a broadening realization that the challenge ahead will perhaps be more economic than military. As that dawning strikes all Americans, from the grassroots level where we are up to the national level, what that is telling us is that perhaps it has come time to reassess our priorities on how we are allocating federal resources, State resources, and local resources.

One of the most telling charts that you see behind you is the relationship between capital investment and productivity. The United States, which is spending less than one percent of our GNP, also ranks lowest of the seven industrialized countries cited there in the increase in the rate of productivity. That is a telling study that was done a couple of years ago by David Aschauer that I think has awakened a lot of people to the necessity to invest more.

Mr. Chairman, as you have followed this issue over the years and as we from the local level have—and we in the coalition are county and city officials, professionals that build and maintain the systems, as well as the private sector, the builders, the contractors, the architects, the engineers, the financiers that are putting these systems together. What we have seen demonstrated repeatedly—and General Kelly just went through "Hard Choices 1984," says that we have got to do more. We have a widening gap.

"Fragile Foundations" documented that we had to spend far more, perhaps doubling our effort by the turn of the century. The most recent study that just came out this week, "Rebuilding the Foundations," tells you that if the Federal Government continues to shift the burden not only for social programs but also for capital spending programs, we are not going to get there by relying on local government because we can not shoulder both burdens.

Finally, we all recently saw Secretary Skinner and President Bush's national strategy "Moving America into the 21st Century." Mr. Chairman, if we depend on the strategy that has been operative in this town for the last eight years in dealing with this question, we are not going to get to the 21st Century.

We are here to tell you, Mr. Chairman, that if we rely on the policies of pass the buck and shift and shaft, America is not going to get to the goals set by the Council on Public Works Improvement two years ago that said that we had to increase 100 percent the capital investment we are making in the basic public facilities that this Nation's economy depends on. Let me quote from that study where it say what we truly need.

It said:

> We need a national commitment shared by all levels of government, the private sector, and the public to increase infrastructure spending 100 percent by the turn of the century. The Federal Government must act as a full and responsible partner to increase and sustain capital investment.

This last couple of years, Mr. Chairman, as you are aware, 18 States have increased their gasoline taxes. Two weeks ago, my own State of Washington added a nickel to our 18 cents per gallon base, so there are 19 States that have stepped up to the problem in transportation.

In my own County of Kitsap, we lead our State in the formation of county road improvement districts where property owners petition us to increase their property assessments and upgrade roads or build brand new roads for a county that is one of the fastest growing in our State. We are increasing our garbage rates. Our State Public Works Trust Fund, on which I serve, has increased our annual revolving loan fund to counties and cities and special districts from $16 million per year to $40 million in this coming year.

States and localities across the land are stepping up to this problem, but our federal partner, in the pattern over this last eight years since we have recognized the crisis that is upon us, has had a pattern of either cutting back on the grant assistance you have allocated or in the tax acts, such as the TEFRA Act of 1986, making it more difficult rather than easier for us at the county, city, and State levels to assume a greater share of the burden.

The plea that we make to you and this committee and the Congress and the President, Mr. Chairman, is to join us as partners. Step up to the problem together with us. Together, we can achieve that 100 percent increase that the Council on Public Works Improvement recommended.

Let me cite four feasible suggestions that are doable even in this era of Gramm-Rudman and deficit politics. No. 1: don't cut these programs anymore. If you recognize how important capital investment is to the future of the economic competitiveness of our country, then take them off budget, as has been recommended. Don't cut these programs anymore.

No. 2: spend down the trust funds. A remarkable agreement was reached this past spring between the governors, state legislators, the Conference of Mayors, the League of Cities, the National Associations of Counties, Government Finance Officers and City Managers. All seven of these organizations this spring have designated their number one priority as being to increase the obligation ceiling in the Highway Trust Fund from $12.3 to $15 billion. It is doable, Mr. Chairman. That will require in this budget year only an outlay of an additional $400–$500 million to get a payoff of $2.7 billion more on the street improving the facilities that all of us depend on.

A similar move is recommended by Rebuild America in the Aviation Trust Fund. So let's put the trust back in the trust funds. That is our recommendation number two.

No. 3: in consultation with the Ways and Means Committee—and I know, Mr. Chairman, that you have submitted legislation along these lines which I believe is going to have tremendous interest and support among the members of the Rebuild America Coalition—but let's make the tax code friendly once again to our efforts to try to do more. The tax revisions of 1986 placed more obstacles in our path than it opened doors. What we need to do is to revise the code and see if we can turn the corner.

The final recommendation is to look to the arena of policy and strategy—and this is coming from John Horsley, a county commissioner who has been observing these conflicting actions at cross purposes that are taking place at the federal level that run exactly counter to the objectives that everyone in this room, I think, has in mind. If we are to do more, then what we should do is have a Federal Government that enters into a knowing partnership with State and local governments and the private sector to achieve these goals.

Right now, Federal policies are hampering our ability to do more. We need a national strategic approach, a national policy, on how we are to achieve the goals set out by that National Council in 1988.

Mr. Chairman, there are substantial amounts of documentation of the need, and I know that is what you were after in this kickoff hearing. I think that it is more graphically presented in the video that you are about to see, so I will close my testimony with this offer.

The Rebuild America Coalition came into existence because of the perception of local and State governments and our private sector partners that for the future of our country, we had to invest more in these vital facilities. We know this committee shares those goals. What we want to offer is our assistance in helping you convince the rest of Congress and the Administration to join with all of us in moving this agenda ahead.

Thank you very much.

The CHAIRMAN. We will hold our questions of you until we complete the video.

[The text of the video presentation follows:]

Our Nation's economy has grown up on the road, but those roads, the Nation's infrastructure, are in dangerous disrepair. Sixty percent of the Nation's four million miles of highway are in need of some form of service rehabilitation and 40 percent of the Nation's bridges are in need of work or are so old that no one really knows for sure if they are dangerous.

Truck driver Charles Taylor sees it all. He has made his living on our infrastructure for 20 years. Something is going to have to be done. It's tearing up the equipment and it's just difficult. These bridges and stuff are breaking springs and when you are tearing up equipment, the truck becomes unsafe. You never know what will happen.

Transportation Secretary Samuel Skinner is calling for a national policy to deal with this creeping crisis.

Reporter: It has been estimated that we need to really double our investment in the infrastructure. Do you think that is a proper assessment?

Mr. Skinner: Well, I think we have to increase it significantly. I am not so sure that the amount isn't even more than that.

Reporter: We spend a lot on our space program. Would you make the suggestion to the White House that we need to take some of that money that we are spending on outer space and spend it on our infrastructure inner space?

Mr. Skinner: Well, I hope we don't get into a fight over where the money is going to come from. We have a lot of unique opportunities in transportation to generate funds, developer impact fees, State and local gas taxes, user fees, so there are a lot of things that can be done that won't impact on the Federal budget at all. Those are the things we are going to be looking at.

But if there is no change in the way the Nation's infrastructure is maintained, it is estimated that by the year 2005, delays on these highways will cost an estimated $50 billion in lost productivity, lost wages, and wasted gasoline.

The greatest fear comes from scenes like this bridge in Upstate New York that gave way back in 1987. Ten people were killed. It is not an isolated incident.

In March of this year, a bridge 50 years old gave way over the Hatchie River near Covington, Tennessee. Eight people lost their lives under the bridge debris.

The Nation's bridges are aging, even though they are being repaired or replaced at a rate of nearly 3,000 per year. They have estimated that it will take more than 80 years to repair all those bridges that need work now.

A bridge over the Great Miami River near Cincinnati also gave way this year. There was some warning though. State and private sector inspectors tried to close the bridge, but it was too late. Two drivers lost their lives.

What about the future? Near New Orleans, I-10 crosses hundreds of miles of swamp land. One-third of the interstate system through Louisiana is on what engineers call elevated roadway. The same is true for the neighboring State of Mississippi.

Near Biloxi, many old bridges are not crossable and have become fishing piers. Those kinds of highways can not be simply repaved. They must be structurally replaced when they wear out, at a cost of up to $10 million per mile.

Dr. Thomas Larson, newly appointed Administrator of the Federal Highway Administration says that the system is functional for now.

Reporter: Are our grandchildren going to have to go back to covered wagons?

Mr. Larson: I don't think so. As a matter of fact, we do monitor the condition of highways by a sampling process with participation from all the States. The results are that the roads are getting modestly better.

Maybe modestly better, but in urban areas, mostly more crowded. It is not just safety that is at stake in the race to repair the Nation's highways. It is productivity, and that is what concerns Transportation Secretary Samuel Skinner. Obviously, in the metropolitan areas, the infrastructure is used by many, many more people. So on an impact of productivity basis, the impact of deteriorating infrastructure in metropolitan areas has a greater drain on productivity and a greater drain on jobs.

The Nation's roads and bridges are in dangerous disrepair. The Bush Administration is seeing this issue unfold as an item on the top of the checklist for fixing. But there is more to the Nation's infrastructure than just potholed streets, faulty bridges, and the clutter that construction causes. There is rail, ports, and airports. What about our ports? Federal Maritime Commissioner Frank Ivansey says that for the most part, they are in good and safe condition, but he has dreams of expansion. I think we will have to develop a system of dedicated corridors to the ports where you have exclusive use by truckers, trains, and so forth, to the ports and off from the ports, in other words, so that you have a corridor that does not conflict with normal traffic flow of the city. I call it a dedicated corridor.

That is what is on the drawing board for Baltimore and many other cities. Federal planners are watching the private sector draw up the plans.

As for the Nation's airports, congestion and worries about safety are the key concerns of consumers in the wake of deregulation. The airlines are now logging 320 billion passenger miles per year, and the number of airports classified as seriously congested is expected to climb from less than 20 now to almost 60 by the year 2000.

The most frightening thing about our infrastructure's decay is when a bridge collapses and lives are lost. Maritime Commissioner and former Portland Mayor Frank Ivansey worries about the management capabilities of elected officials in those cases. I don't necessarily appreciate the fact that some cities all of a sudden find out that they have a bridge that is falling into the river. Actually, that bridge has probably been deteriorating for many, many years, so who was sleeping at the switch?

There may be a solution to this problem in the private sector. The toll gate is an age-old way of paying for bridge and road construction, but public servants taking tolls have always been a political problem. Elected officials don't like to be the ones blamed for taking their voters' money at the booth.

Several news accounts follow.

A concrete block fell onto a car and the driver is in very serious condition. It was the FDR Drive in Manhattan, the elevated part of it at East 23rd Street.

It's an old road in disrepair in a lot of places. Some people would say it was an accident waiting to happen. In any case, it did happen. The road fell through; a man is hurt. Kathy Wilke is live at the scene.

Bill, we are live at 23rd Street and the FDR Drive where traffic is not moving northbound tonight because of a concrete slab which, as you say, fell from the FDR Drive onto this access road below and onto a motorist. The car is right behind me. The concrete is still on the hood; the windshield is completely smashed in. What you are looking at is a navy blue Plymouth Reliant with New York plates.

We are told that the victim is a white male in his thirties or forties. We don't know much about him except that he is still in the emergency room at Belleview Hospital. Doctors are working on him now. He's in very, very critical condition.

All of this happened at approximately 9:08 tonight. A concrete slab about five feet by 10 feet and six inches deep fell at least 30 feet to the car below. It weighed some 400 pounds.

In Tennessee, divers continue this evening to search for victims of a bridge collapse. The 50 year old bridge on U.S. Highway 51 collapsed last night plunging at least one tractor trailer and three other vehicles believed to be cars 25 feet into the Hatchie River.

So far, rescuers have pulled seven bodies from the water. It is still not clear what caused the bridge to give way, but it had recently rained and the Hatchie River was almost three feet above flood stage at the time of the accident.

Exactly two weeks after a bridge collapse in West Tennessee, State transportation officials have another bridge collapse to deal with. This time in the eastern part of the State.

A pickup truck carrying three teenagers plunged 25 feet onto a railroad track following the collapse of a one lane wooden bridge. The mishap occurred Saturday night about 25 miles northwest of Knoxville, killing 16 year old Ronald Galliher and injuring two passengers.

And there is more news tonight about the Hatchie River Bridge that collapsed near Covington two weeks ago.

Tennessee Department of Transportation records show that inspectors recommended repairs on the bridge following checks in 1985 and 1987. Inspectors found evidence of erosion around the bridge supports. However, maintenance reports show no changes were made. On April 1st, eight people died when the U.S. 51 bridge collapsed.

The next three reports are from ABC Evening News with Peter Jennings.

Our reporting on the American Agenda tonight was inspired by what we saw happen in San Francisco last week. While is was the earthquake which finally brought Highway 880 down, there is a lot of evidence that years of neglect made it possible.

One thing is for sure: there are roads, bridges, and underground pipes and other public works in terrible shape all over the country. Forty-four percent of bridges alone are judged by the government to be structurally deficient or functionally obsolete.

We have three reports tonight on America's infrastructure. First, here is ABC's Al Dale.

Last April, eight people were killed when a bridge near Memphis fell into the Hatchie River. Two weeks later, a teenager died in the collapse of a wooden bridge, also in Tennessee. Those accidents underscored the nationwide problem of aging bridges and the lack of money to repair or replace them.

Tennessee immediately stepped up inspections and closed four bridges. Other States, including Georgia, took the cue. But Georgia has only 18 inspectors for its 14,500 bridges, and the $39 million in Federal and State funds allocated for bridges here last year, is far from adequate. We will really be stretching the life span of some of those bridges at the rate we are going now before we are ever able to replace them.

Officials say that it is difficult to convince taxpayers to fix or replace bridges until one falls. For example, a recent bond issue to replace aging viaducts in Atlanta was voted down, and heavy fire trucks now have to detour around the problem. Al Dale, ABC News, Atlanta.

So the system is above ground, but is also below with the systems that supply us with water and heat and also dispose of wastes. Here is ABC's Ron Clayborn in New York.

Beneath this city are more than 6,000 miles of water mains, gas lines, and steam pipes. As the aging system breaks down, the city struggles to keep up. The water mains are in pretty bad shape. They haven't really been changed in the last 60 to 70 years.

Some pipes are more than 150 years old. Engineers say that the problem is not so much age as stress. Traffic from above and subways from below are causing the old cast iron water pipes to deteriorate and sometimes break. Last year, more than 600 water mains burst. When that happens, it can be more than an inconvenience. It can also be dangerous.

This summer, a water main break led to the explosion of a nearby steam pipe, killing three people and spewing cancer-causing asbestos into the air. More such incidents seem inevitable. When a water main breaks, it affects the steam line. As the steam line's got asbestos in it, you're going to have asbestos all over the street.

Changing all the crumbling pipes would cost billions. The city says it is more cost effective to let them break and then replace them. Ron Clayborn, ABC News, New York.

And the problem is everywhere. The National Council of Public Works Improvement, a group created by Congress to monitor the condition of America's infrastructure, makes the point that reliable transportation is one of the basic elements of a productive economy. On that problem, ABC's Chris Burey.

In Chicago, many of the rails and roads are aging and frail. Chicago's Loop, the elevated train structure that circles downtown, was built in 1892. Trains must slow to six miles an hour because parts of it are unsteady. The steel is so old that portable jacks help hold up the tracks.

Here, too, many bridges are rusty and rickety after decades of heavy use and bad weather. Nearly a third of the State's 25,000 bridges are considered substandard.

The problem in Chicago, as elsewhere, is money. Politicians find it easier to raise taxes to build new sports stadiums than they do to fix old bridges. "When you vote for new bridges, new rail tracks, the public typically doesn't see those improvements. They are not ribbon-cutting kinds of events that politicians like, so it's a very, very tough sell."

In Illinois, a new gasoline tax will raise an extra $300 million a year for renovations, but it cost nearly that just to rebuild one bridge. Demand for repairs far outstrips the supply of money available. Chris Burey, ABC News, Chicago.

Just one other note. Last year, all levels of government were spending $45–$50 billion to repair the infrastructure, in other words, just to keep it in as bad a shape as it's in. Everybody agrees that it will cost vastly more to fix it.

The CHAIRMAN. Thank you very much, Mr. Horsley, for making this video presentation available.

Mr. HORSLEY. My compliments to your staff as well. They put it together.

The CHAIRMAN. Very good.

I have just one question I was going to ask. One important aspect in dealing with the infrastructure issue is to get the general public focused on the scope and the urgency of public works' needs. How do we most effectively get the message across to the public that the future quality of all of our lives and of our economy and everything else is pretty much at stake?

Mr. HORSLEY. I have a couple answers to that, Mr. Chairman.

I brought with me a copy of a manual, a workbook, called "Building Together: Investing in Community Infrastructure." This was a joint project that Dale Stuard, who was at the time President of the National Home Builders Association, and I, as President of the National Association of Counties, launched our people on. It came to fruition this year under the leadership of NACO President Ann Klinger.

This is now on the street and is being used in counties throughout America where county officials like myself go to the community. It is available to city mayors and city councils as well to explain at the grassroots what the problem is and what some of the solutions are so that we begin to build the understanding and base of support from the grassroots up.

The second part of the answer, Mr. Chairman, is not going to be quite as pleasant. Let me be blunt. It does not help us at the State and local levels screw up the courage to raise fees, raise taxes, raise rates, to fund our share of local infrastructure as long as the debate from the federal level is based on hero politics: shift the problem down to our level and shift the shaft politically to us while you are above the fray refusing to raise taxes no matter what.

We are all in it together. The same media that covers you covers us, and the same voters that vote for you vote for us. They are confused if the message that comes from the Federal level is that any politician who would raise a rate or raise taxes is wrong. We have got to get into a partnership situation where the voters face up to the responsibility and we as leaders face up to the responsibility together.

The CHAIRMAN. Mr. Stangeland?

Mr. STANGELAND. Thank you, Mr. Chairman.

I appreciate your being here, Mr. Horsley. That is an excellent tape and the statement is so true that people will support a bond issue to build a sports stadium, but not to repair roads and bridges.

I served eight years in the State Legislature in Minnesota, and whenever we talked about a gas tax increase, the petroleum industry was in there adamantly fighting it and the people didn't want it, and yet, it was a direct benefit to them. They never see the need until the traffic jam is there.

Mr. HORSLEY. You bet.

Mr. STANGELAND. No matter how hard you try to sell it, it is a hard sell until the bridge falls down.

I am troubled, and I know that the Federal Government has a major role to play. I think what we try to do is to balance the responsibility as much as possible.

Sometimes I think, as I look around the country, we probably have not got our priorities right as far as road construction and road repair, but the costs have gone up.

Where we are blessed in this country is that we had forefathers with great vision to put our infrastructure in place. When you look at places like Argentina, Brazil, and the Soviet Union, if they had our system of infrastructure, they would be powerful competitors, particularly in agriculture, but in other facets as well. We have it, but now we have to rebuild it.

The rebuilding is going to cost horrendously more than the initial construction. Repair of a mile of interstate today costs as much as the construction cost to begin with, and it is a problem.

I just salute Rebuild America and I just have to take a moment to salute our former Chairman, Jim Howard, who was one of the visionaries who saw that something had to be done, that we had to start talking about this. He put together a piece of legislation that discussed it and is kind of the guy who got this thing going, with all of us focusing on the need and also with the intertwining.

The other thing our people fail to realize is that we spend money—well, I support projects in some other part of the country and my constituents can not understand that, that improvement in Tampa Harbor benefits my farmers who use the phosphate that is mined in Florida. You just can not get them to realize that money spent somewhere else may in some way accrue to their benefit. They just don't see that. They only see the benefit of money spent right there locally where they can see that project taking place. It is a hard sell, and I think it is a sell that we have got to pull together and work on to get the job done.

Mr. **Horsley**. Mr. Stangeland, I agree that it is a hard sell. The debate that raged this last two years in our State legislature over the nickel that they just added to our gas tax was tough. Interestingly enough, after they failed to pass it in the last session, many of them went home to their chambers of commerce, their Rotary Clubs, their community groups, Kiwanis, et cetera, and were told, "Don't come home again next year without passing it because this community, the economy, the businesses, and our commuters are desperate for improvement."

There was a groundswell in the Puget Sound area. "You have to do something; the gridlock is unbearable." So the citizens and the business community demanded action and they got it.

Mr. **Stangeland**. Thank you very much.

The **Chairman**. Mr. Nowak.

Mr. **Nowak**. Thank you very much for your testimony, Mr. Horsley.

I think that we look at the National Association of Counties in great esteem because over the years they have come forward with some innovation and we try to match that enthusiasm as we get a groundswell in the Congress from many local officials and what the local officials bring from their constituents. Statements were made earlier today that we should go to the local officials.

They have a close feeling because of their representation of what needs to be done. On one hand that is very true. You have identified and others have identified and back in 1983 the needs were identified and the shortfalls were known. They were starting to grow and starting to show up in different aspects, that there was not enough maintenance being done on the system as it was constituted at time.

Certainly, there was not nearly enough being done if we are going to remain economically competitive. Yet, very little has transpired since that time in terms of trying to find a funding mechanism. We can talk about all the innovation we want to talk about, but you have to start with some basic dollars to get the system moving again.

Your four points that you mentioned in terms of your platform that you presented to us is, I think, one that we on this committee can all agree upon. I wonder sometimes how we can move forward without a joining of your organization, the States' organizations. I see that part of your coalition is the National League of Cities, the U.S. Conference of Mayors, and the Council of State Governments.

All must realize by this time that there is going to be insufficient funding if we are going to keep expanding the economy and providing that infrastructure that is going to be able to cope with that expanded economy and move forward. Yet, I do not see—for the last three or four years, I have been talking about a capital budget and I expressed my thoughts earlier today about why we have to separate and why we have to start thinking differently about capital expenditures in this country.

Somehow, we have all kinds of identifications of those needs, yet, very little is being done on the other side. As you rightly said, the States are starting to move on their own without a "Federal aided participation."

We have this fear of taxes, as you mentioned. Yet, when it is explained or when you have a crisis, that fear is overcome. The other nations of the world with Japan in particular—although if you go to Europe and stop at a gas station, you pay the equivalent of $4.25 for a gallon of gas. The difference, of course, is not any increase in transportation from the Arab countries. Their gas is probably 55 or 56 cents per gallon in cost and all the rest is something called revenue for those particular governments.

We have been unable to face this question and I think that unless we do—and there is nothing that comes as close, especially in highway and bridge repair, as the gas tax to a true user-related tax. I am wondering how we get the organizations, some of whom are in your Rebuild America, to communicate this to the Administration.

As you know, there is a policy of no tax now or forever, I guess. That is not going to be a viable way to do any of this expanded work in the future. Not only are we not building out, but we are not maintaining either, so you are going to have, over a period of years—and that is one of the problems. You don't see it happening day by day. All of a sudden, it just comes to a crunch. But how are we going to bring all of the associations to the forefront with recommendations, not on the needs, but on the possible solutions or at least the alternatives, so that this committee and the Ways and

Means Committee can move forward with something that is a true consensus?

Mr. **Horsley**. Mr. Nowak, first of all, let me say that we in Rebuild America support your concept of capital budgeting. That is a fifth point that you can add to the agenda which I did not mention in my four points. That is something that we have advocated for some time and would be pleased to work with this committee toward that end.

On the practical question of how we convince the Administration to come forward and how we move this agenda ahead in Congress, quite frankly, we think that you take it one step at a time and you walk before you run. We are tremendously encouraged, for example, to see Mr. Gephardt, who is representative hopefully of the House leadership, saying that he is ready to take the trust funds off budget and ready to see those trust funds drawn down for the purposes that we have been raising the money for. I think that is a major step forward, symbolically, to have the Majority Leader come by and say that.

I see light at the end of the tunnel. When you came within four votes two or three years ago of scoring on that issue, a lot of people were surprised. The momentum is building and I see you being effective in actually achieving that this year. This year it is do-able.

What we want to do—and you tell us how we can help—is to be your support network at the grassroots level to broaden the base of support beyond this committee. You are our leaders. You know the problem and the solution, and our hats are off to you. But the problem is not as well perceived, understood, and supported elsewhere in the Congress, and we want to help you achieve that broader base of support.

Mr. **Nowak**. Does the organization, especially the Council of State Governors, have any plans in the future to appeal to the Administration to join us in these efforts and to have the Administration look at some of the funding mechanisms? I mean, it is nice to talk about needing a partnership. We are partners; it is just that we are a declining proportion of the whole pie and there is going to be less and less going down.

Certainly, the most successful program to my mind in the history of the country has been the Highway Trust Fund. That has produced. You can argue about routes and everything else from the distribution of those funds, but without that trust fund and trying to rely on a year by year differing appropriation, we would never have been able to build that out in the time frame that we have.

In traveling over in Europe, some of their autostradas and highways have already surpassed us. We had the benefit, of course, of the Highway Act back in 1957, but they are moving very quickly because they have taken that opportunity for the terrific impact on the gas tax.

That area, to my mind, will have to be faced, and that partnership solidified again if we are going to move forward. I do not think that you are going to find the Congress acting no matter how much effort we put forward just on this committee.

There are a lot of Members here and a lot of Senators. But even more important than that in this equation is the Administration, which will have to acknowledge that there is such a thing as necessary capital spending and will have to try to move forward a program that is going to make a difference.

If not, then like many of the other "domestic-side programs," you are going to be ever increasing in trying to keep up with just general maintenance.

Mr. HORSLEY. Let me clarify one thing about the National Governors Association and the Conference of State Legislators. Those organizations are not formally parts of the Rebuild America Coalition. The Council of State Governments is, but the Conference of State Legislators and the governors have joined together with the cities and what we called the "Big 7" in State government lobbying groups who are saying that their top priority this year is the increasing of the obligation ceiling in the trust fund.

Four of those organizations are not members of the Rebuild America Coalition. I just wanted to clarify that, but we have their support, regardless, for the same objective.

Getting to your point about the partnership, Mr. Nowak—and I think you put it very well. What you are saying is reinforced by this report from the Office of Technology Assessment that just came out, I think, last week, where they make this statement: "OTA found that most local government fiscal resources are simply inadequate to fund mandated social programs and maintain and improve public works as well."

The Budget Committee and the various other committees of Congress that are curtailing the funding that States and localities once depended upon to deliver social programs have to understand that the consequence of cutting back in their programs complicates the ability of local governments to maintain their capital spending. So they are compounding the problems of this committee when they shift other programs onto our shoulders when we have to face them with a fixed amount of resources.

We need better coordination between federal policy, state policy, and local policy so that we achieve the goals. From our citizens' perspective, they don't understand which end it is coming from. But on the delivery end, let me tell you, the buck seems to stop at the local level. We think we should have a joint participation in facing up to these responsibilities.

Mr. NOWAK. We have started a series of hearings on the Water Resources Bill and the Clean Water Act this year, and I have had the opportunity to talk to a representative of the National League of Cities, who came in as a mayor urging us to look—since we had the construction grant program and many communities were moving up from primary to secondary treatment and establishing those plants and their operation—they have found that they have another perhaps larger problem staring at them if they are going to meet the water quality goals that were adopted by previous administrations and the House.

That is, of course, the CSO problem. I asked about any surveys that they may have taken in just their member cities. In her community, their cost was several hundred million dollars, and of course, they did not think that they could raise that next year. Therefore, it is going to be postponed.

She was looking at the opportunity, of course, for another type of partnership that we established when we went through the construction grant program, secondary treatment upgrade. Of course, we can not even fund out the secondary treatment to the numbers that this committee has authorized, so to look at new programs, no matter how great the needs may be, we are going to have to have a different funding source and we are going to have to look at some type of partnership for us to move forward in that program.

It is not only in the area of highways and bridges, but when we look at the Clean Water Act, you are going to find tremendous needs out there to meet those goals or else our streams and rivers will keep deteriorating despite the amount of money that has already been put into all of the systems throughout the country.

I would just like to see some kind of local partnership—and maybe this organization can start this—working with the States and your respective governors to come in as a group and to take this up on their agenda. The National Association of Counties could do it, the cities could do it, and the mayors could do it, to bring forward to every Member of the House and certainly to the Administration so that we could put together a program that will start to make a difference in the long term, somewhat analogous to the two areas that have been most successful, the Highway Trust Fund and the Aviation Trust Fund.

If we do not do that, you are going to have tremendous local costs, and I know that local officials hate to comply with State mandates or federal mandates, but that will be the future of this program unless we can put together that kind of a coalition now.

Mr. HORSLEY. Mr. Nowak, I thank you for your observations. I could not agree more. That is why we created this organization, to do that grassroots base-broadening and to help with the public understanding of the issue and to build the political base to see these issues that this committee has worked on so diligently reach the success that we believe is critical to the country's future.

Mr. Chairman, I have to catch a plane in about 30 minutes. I flew in last night from Seattle and this is one of our much feared "Red-Eyes," that I am sure you are well acquainted with.

The CHAIRMAN. Very well.

Mr. Stangeland, do you have any brief questions of our witness?

Mr. STANGELAND. Mr. Horsley, I know you are in a hurry. Let me just take a minute to give you an interesting and comical story to tell you some of Minnesota's problems. We need communication.

Mr. HORSLEY. About half of my home town folks come from Minnesota.

Mr. STANGELAND. Minnesota has Minnesota Good Roads, which is county commissioners, highway engineers, State DOT, and contractors. I believe it was during the last session of Congress that they came in and they wanted the tax exemption on gasohol lifted and they were very adamant about it. In the Congress before, Chairman Howard had an amendment on the Floor because of what that exemption was doing to the trust fund, and I supported that.

In the next campaign, my opponent was out there telling everyone that I was against the farmers because I was against ethanol, that I was against clean air because I was against ethanol, and that I was against all these things. It did make some impact. Well, I pointed out to that Minnesota Good Roads group that not one county commissioner, not one highway engineer, not one local elected official who is concerned about good roads in Minnesota, came to my defense.

So we have to have a two-way street. I think that if we work together, we can get the job done.

I want to thank you, and have a good flight back.

Mr. **Horsley**. I will speak to my colleagues in Minnesota about that.

Mr. **Stangeland**. I told them.

The **Chairman**. Mr. Horsley, I want to thank you for your presentation and to assure you that where you said you wanted to help, we will call on you for help. I want you to know that.

[Mr. Horsley's prepared statement and submission for the record appear beginning on page 155.]

The **Chairman**. I want to thank all of the witnesses who appeared. I think this was a good, positive hearing and it may bring some good results. I think it will. Thank all of you very, very much.

With that, the meeting stands adjourned.

[Whereupon, at 2:15 p.m., the committee was adjourned to reconvene at the call of the Chair.]

PREPARED STATEMENTS OF WITNESSES

STATEMENT BY

MAJOR GENERAL PATRICK J. KELLY,
DIRECTOR OF CIVIL WORKS
U.S. ARMY CORPS OF ENGINEERS

BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

SECOND SESSION, 101 st CONGRESS

STATUS OF THE NATION'S INFRASTRUCTURE

MARCH 29, 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE PUBLIC WORKS AND
TRANSPORTATION COMMITTEE

TESTIMONY OF
MAJOR GENERAL PATRICK J. KELLY
DIRECTOR OF CIVIL WORKS
U.S. ARMY CORPS OF ENGINEERS
BEFORE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

Thank you, Mr. Chairman. (Ladies and Gentleman)

I am delighted to be here and appreciate the opportunity to discuss one of our more serious domestic issues: the status of our Nation's infrastructure. Assistant Secretary Page has been personally interested in this issue and he has discussed it with various Members of Congress. I know he looks forward to working with you to assist the Nation with its infrastructure problems.

Introduction:

The purpose of my testimony today is to provide background information to the Members of the Committee by summarizing the major findings and conclusions of major studies on infrastructure which were prepared and published between 1983 and 1988. (Figure 1)

The studies assess the current (at the time of each study) state of the Nation's infrastructure and the ability of our infrastructure to meet demands of future economic growth and development. The studies present a troubling

The Nation's Infrastructure

MG Pat Kelly
Director of Civil Works
U.S. Army Corps of Engineers

Figure 1

picture of deteriorating infrastructure, the result of several decades of declining investment in our public works; however, the studies do make recommendations for financing, building and maintaining the quality of national infrastructure that will meet demands for future economic growth and development.

To introduce the subject, I would first like to state that, throughout our Nation's history, the U.S. Army Corps of Engineers has actively participated in planning, designing and constructing various aspects of such infrastructure. The Corps has been engaged primarily in construction of large multiple purpose dams, harbors and waterways, and flood control projects through its civil works programs. The Corps military missions have resulted in the construction of large military facilities, air bases and other installations including associated housing and community support systems.

While we continue this role, our major thrust is to more efficiently manage, maintain and rehabilitate the Nation's combined Army Civil Works and military infrastructure. This broad involvement in many aspects of the Nation's infrastructure has created a deep concern within the Corps for the future of both the infrastructure for which we have programmatic responsibility, as well as that of the rest of the Nation. What ever the future Federal role is to be, the Corps will be prepared to support it.

I recently established in the Civil Works Directorate a Corps Infrastructure Task Force which has the responsibility to implement an action plan as a contribution to the total national effort to address our many infrastructure needs. The plan involves maintaining and sustaining water resources energy, transportation, solid waste disposal and hazardous and toxic waste disposal in Corps mission areas under existing authorities. Much of this plan calls for building further on Corps partnerships with other agencies of government. The Corps also has an infrastructure initiative included in the President's FY 91 Budget which provides for Federal agencies with infrastructure missions to work together in the development of recommendations for a Federal strategy for addressing America's infrastructure problems. Currently, there is no integrated Federal focus on infrastructure issues and no means to evaluate and implement policy recommendations. Our FY 91 Budget initiative would establish a means to do this.

In my testimony today I will begin by providing a working definition of the term infrastructure and then proceed to review several studies that contain comprehensive reviews of the state of the Nation's public works. I will also briefly comment on current discussions and differing approaches to the importance of infrastructure to the American economy. This review will be followed by a short comparison of these studies and by some concluding remarks about future governmental and private-sector strategies for responding to our infrastructure problems.

Major Infrastructure Studies

Four major infrastructure studies were completed between 1983 and 1988. The four studies provide comprehensive overviews of the status of the Nation's infrastructure although they differ in term of years covered and what is included in the definition of infrastructure. They are:

1. America's Infrastructure - A Plan to Rebuild by Associated General Contractors of America. 1983

2. Hard Choices by the National Infrastructure Advisory Committee. 1984 (Prepared for the Joint Economic Committee Congress of the United States)

3. Public Works Infrastructure: Policy Considerations for the 1980s by the Congressional Budget Office (CBO). 1983

4. Fragile Foundations: A Report on America's Public Works. Final report to the President and Congress by the National Council on Public Works Improvement. 1988 [Prepared in accordance with the Public Works Improvement Act of 1984 (P.L. 98-501)]

Definition of Infrastructure

From these reports various concepts emerge about the meaning of the term infrastructure. Historically, the term referred to the workings of government, but has evolved to its present focus on physical structures and the services they provide.

INFRASTRUCTURE: A DEFINITION

- High Fixed Costs
- Links to Economic Development
- Long Service Life
- Public Ownership
- Interaction with Other Parts of System

Figure 2

INFRASTRUCTURE INCLUDES:

- Air, Land and Water Transportation
- Water and Sewerage Systems
- Solid and Hazardous Waste Disposal

Figure 3

Infrastructure Studies

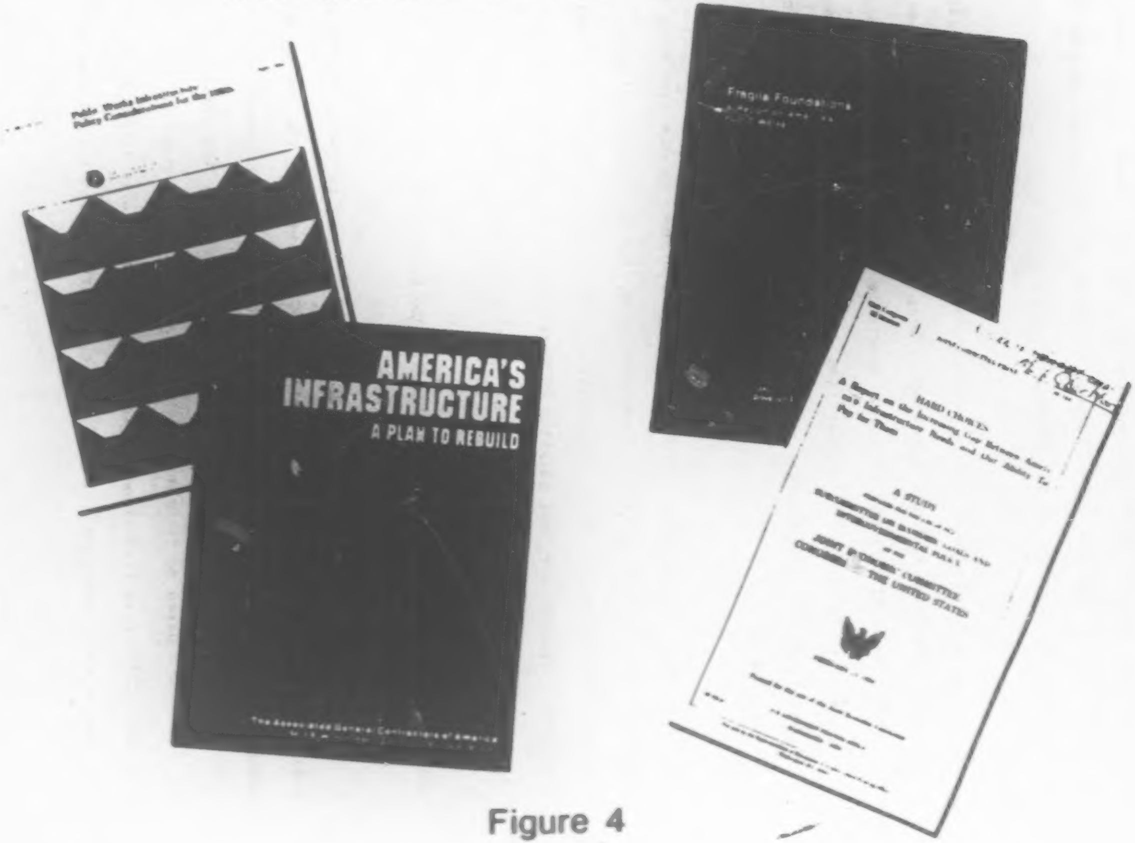

Public Works Infrastructure: Policy Considerations for the 1980s
AMERICA'S INFRASTRUCTURE
A PLAN TO REBUILD
The Associated General Contractors of America
Fragile Foundations
HARD CHOICES
A Report on the Increasing Gap Between America's Infrastructure Needs and Our Ability To Pay for Them
A STUDY
JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

Figure 4

For our purposes here, perhaps the best, and most readily applicable is a definition of the term infrastructure contained in the Fragile Foundations study: (I quote from the study) (Figure 2)

> Facilities with the following general characteristics - high fixed costs, strong links to economic development, long service life, interaction with other parts of a system and public ownership - may be termed 'public works infrastructure'. This definition usually includes, at a minimum, facilities for transportation, water resources, and waste management. (Figure 3)

Now that I have defined the word, infrastructure, as the community of engineers and planners currently uses the term, let me briefly discuss the findings and conclusions of the previously cited studies. Each of these studies represent complimentary, but slightly different points of view and approaches to evaluating the problem of our aging, decaying infrastructure.

America's Infrastructure - a Plan to Rebuild and Hard Choices (Figure 4)

The study, America's Infrastructure a Plan to Rebuild, completed by the Associated General Contractors of America (AGC) as well as the report Hard Choices prepared by the University of Colorado for the Joint Economic Committee (JEC) of the U.S. Congress both contain needs assessments for improving our infrastructure based on technical engineering and planning standards. --what I would call the more traditional approach. These two studies differ from later assessments which use level of performance or service criteria in evaluating infrastructure needs. The National Council on Public Works Improvement (NCPWI) points out that these earlier studies tend to emphasize structural improvements rather than lower cost operational alternatives. As a result, the first two studies concentrate on defining the gap between perceived needs and available resources and make recommendations about how to close the resulting revenue gap.

AGC Report

The AGC report was based on a survey of over 100 organizations, states and cities. It was based on a broad definition of infrastructure including such areas as low income housing and hospitals.

The Associated General Contractors of America makes a series of recommendations regarding funding to rehabilitate declining public roads and other facilities. These include:

1. Where a Federal presence in infrastructure funding (both direct and federally-assisted) is justified, such Federal funding must be adequate.

2. All levels of government must realign funding priorities. The infrastructure crisis is of such magnitude and so integral to economic revival, growth, and employment that it must take precedence over social spending.

3. The key element in infrastructure funding must be dedicated long-term funding mechanisms for all infrastructure categories. The funding must be dedicated to

avoid shifting capital investment spending, as occurred during the past 20 years. Long-term funding is recommended to provide stability to the infrastructure effort.

4. To maximize efficiency and economy in the expenditure of funds for infrastructure programs and to provide productive private sector employment, infrastructure construction must be accomplished by the private sector through the single contract method and open competitive bidding.

5. User fee funding mechanisms and enterprise authorities should be used to the maximum extent.

6. Capital budgeting should be implemented by all levels of government to assure increased infrastructure investment.

7. State Infrastructure Banks should be established with initial capitalization from both the Federal government and the states, provided the creation of the banks will result in a net increase infrastructure investment.

Hard Choices

The study, Hard Choices, evaluates the condition of the public infrastructure in 23 states, assesses infrastructure needs and estimates financial capability through the year 2000. The study addresses three broad National categories: surface transportation, water, and wastewater systems. For these categories projected for the entire country the study estimated total needs of $1,160 billion dollars (in 1982 dollars) for the years 1983 to 2000. In response to the resulting revenue gap, the National Advisory Committee appointed by the JEC to prepare the study, found:

- The problem is national in scope. It is not limited to any region or to any state;

- The problem is manageable, if public sector capacity to define needs and budget-scarce-resources is increased significantly;

- The problem requires a predictable and long-term response by the Federal government.

- For the entire country, infrastructure needs for the four categories addressed in this study are estimated to be $1,160 billion in 1982 dollars. Revenue to meet these needs is projected to be $710 billion leaving a financing gap of $450 billion.

Individual infrastructure components (e.g., water, sewer, etc.) illustrate the greatest regional variation.

- The greatest regional per capita infrastructure needs are projected for the Midwest.

- All regions expect revenue to be insufficient to meet future infrastructure demands.

- The single most dominant need across the country is highways and bridges.

- The total sewage treatment needs (in 1982 dollars) are projected to be $106 billion in the 23 states, or $163 billion nationally.

- Other transportation (i.e. , ports, airports, railroads, mass transit) is a vital infrastructure component, but one in which the private sector has traditionally played a major role.

Further the study recommended:

1. Creation of new financing mechanisms

2. A coordinated National needs assessment program with a unified capital budget evaluation

3. A review of infrastructure standards

4. An evaluation of statutory and administrative rules governing the use of existing infrastructure programs.

In addition, it based it's recommendations on state and local government enhancing their fiscal capacities.

Overall Conclusions of AGC and Hard Choices Studies

In summary, both of these studies conclude that a large dollar investment will be required to reverse the conditions of our aging bridges, roads, water systems and others. The estimates differ because of both the number of categories included and implicit assumptions about applicable standards. However, neither report provides very specific information about setting spending priorities either among or within infrastructure categories involved.

What Can be Learned from These Studies

Both the Hard Choices and AGC studies call for large investments in our infrastructure over the next few years. However, since the studies focus exclusively on structural improvement, rather than lower cost alternatives, Congress in its effort to secure more information about infrastructure needs, may only be able to utilize these reports as guidelines, at this time. The declining Federal budget and lack of monetary resources at all levels of government, indicate that the Nation may be better served by more detailed studies which would emphasize priority setting and efficient investment strategies.

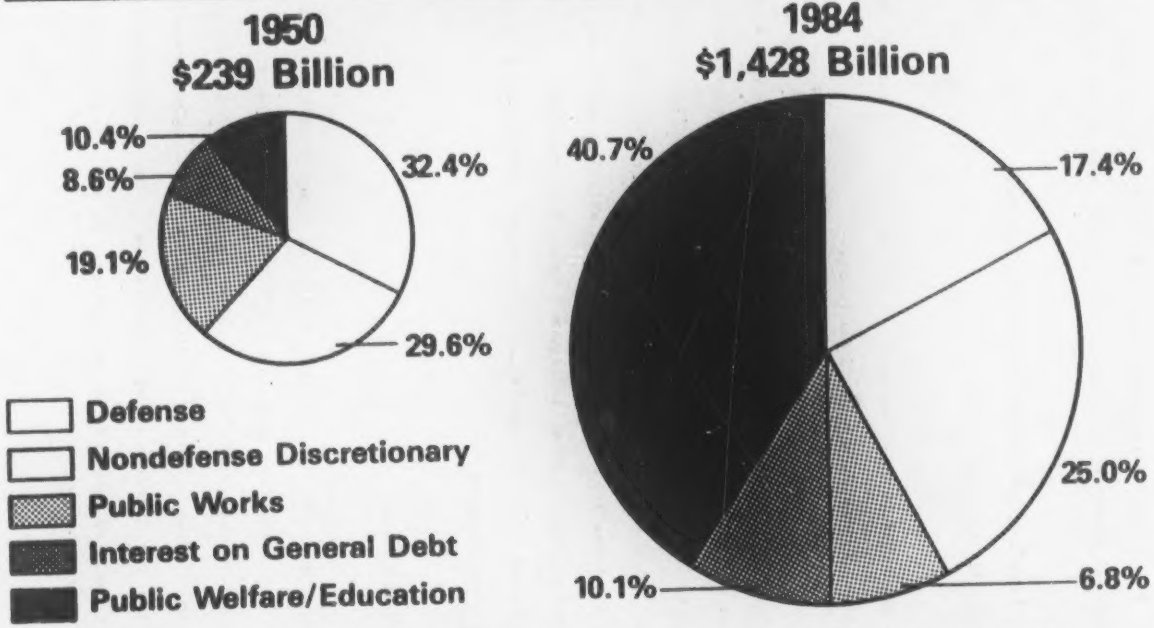
Public Works Infrastructure Policy Considerations for the 1980s and Fragile Foundations

In contrast to earlier infrastructure needs and assessment reports, the study by the Congressional Budget Office (CBO) entitled, Public Works Infrastructure: Policy Considerations for the 1980s, and the Fragile Foundations study completed by the National Council on Public Works Improvement (NCPWI) do not rely on a traditional "standards" approach to calculate and determine requirements for infrastructure rehabilitation and development. These two reports represent, perhaps, a natural evolutionary outgrowth of previous work. Their focus is not on numbers, but rather on the level of service and on performance of component's of our Nation's infrastructure. In addition, these studies contain elements of strategic planning for the efficient allocation of resources in resolving critical infrastructure problems.

Public Works Infrastructure: Policy Considerations for the 1980s.

This study, prepared by the Congressional Budget Office (CBO), focuses primarily on the cost effectiveness of infrastructure investment. Investment concerns are made particularly pressing by the constraints now affecting the Federal budget. In this context the report considers: (1) how current Federal policies and funding levels may or may not mesh with infrastructure needs over the coming decades, (2) how possible policy changes can bring about improved cost effectiveness and (3) how changes at the Federal level could affect state and local governments and the private-sector beneficiaries of the infrastructure services. Included in this study are considerations of such infrastructure elements as highways, public transit, municipal water supply, wastewater treatment, water resources, traffic control, and airports. Addressing ways to correct inefficiencies stemming from current Federal policies, the CBO report recommends:

ALL GOVERNMENT SPENDING
1950 AND 1984
(IN 1984 DOLLARS)



Source: Apogee Research, Inc., *A Consolidated Performance Report on the Nation's Public Works*, August 1987. Prepared for the National Council on Public Works Improvement.

Figure 5

- Adjusting Federal user fees both to produce a reliable measure of National needs and to correct present misalignments among users ;

- Limiting the Federal role to infrastructure investments with clear National importance; and

- Redirecting existing Federal aid to alter the current bias toward capital-intensive investment decisions.

The CBO study in addition to its more performance based approach also makes some estimates of program costs in each of the infrastructure categories it examined. The report estimates that annual capital outlays by all levels of government would have to increase from $36 billion to $53 billion between 1983 and 1990. A comparison of the financial needs estimates presented in the AGC, JEC and CBO studies is shown in Figure 5 taken from the NCPWI. Examination of these estimates based on comparable infrastructure categories indicates closer agreement than depicted.

Fragile Foundations

The final study that I will review in today's testimony has received extensive media coverage since its 1988 publication. The study, which was authorized as a result of PL 98-501 in 1984, analyzed: age and condition changes, methods to finance, trends in financing methods, maintenance needs and expenditures for improvement of public works. The study, prepared by the National Council on Public Works Improvements, is also the most extensive study

REPORT CARD ON THE NATION'S PUBLIC WORKS

Subject Category	Grade	Subject Category	Grade
Highways	C+	Water Supply	B−
Mass Transit	C−	Wastewater	C
Aviation	B−	Solid Waste	C−
Water Resources	B	Hazardous Waste	D

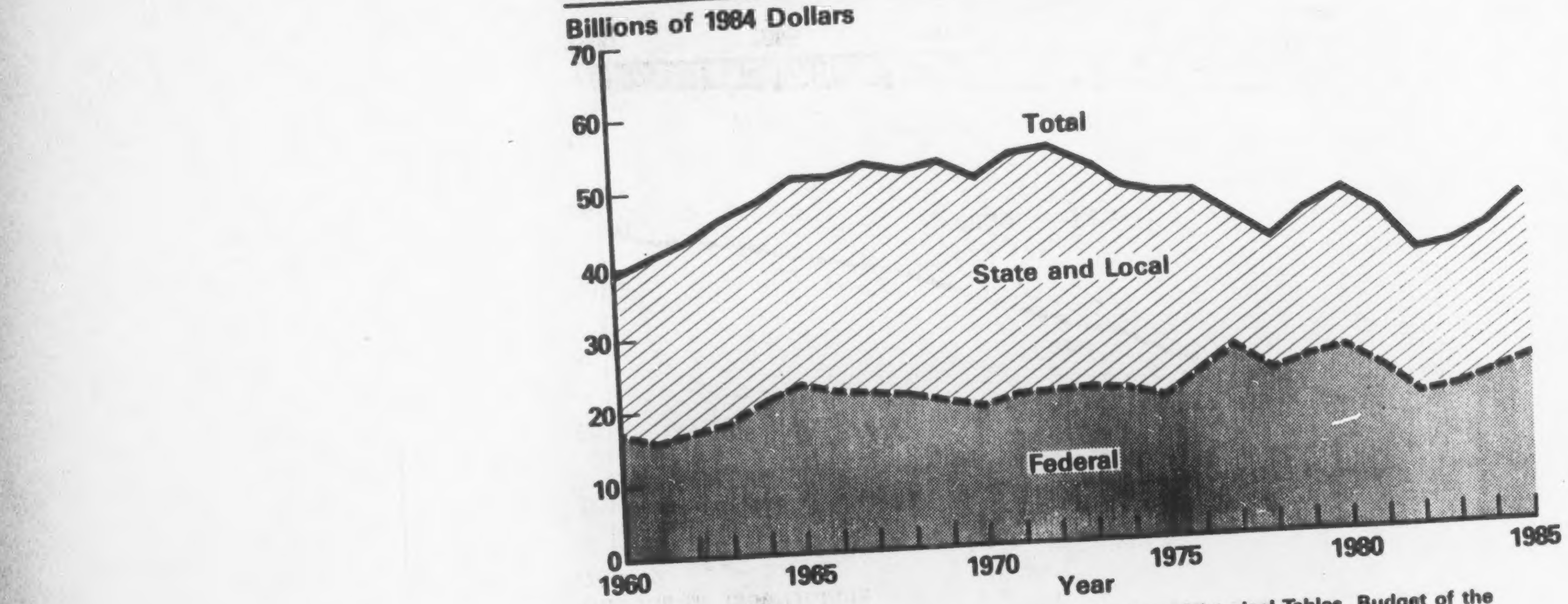
Source: National Council on Public Works Improvement, Fragile Foundations, February 1988.

Figure 6

undertaken. It consists of ten major published reports and over sixty commissioned background papers and special studies by some of America's foremost experts. The infrastructure components included in the report are: highways, mass transit, aviation, water resources, water supply, wastewater, solid waste and hazardous waste. The very title of this study, Fragile Foundations , conveys to some extent, the precarious nature of some components of our decaying infrastructure. It is not yet in ruins, but in many respects it is more fragile than it has been in the past and needs attention.

The Council "found convincing evidence that the quality of America's infrastructure is barely adequate to fulfill current requirements, and insufficient to meet the demands of future economic growth and development". The Council recommends "a national commitment shared by all levels of government, the private sector, and the public, to vastly improve America's infrastructure. Such a commitment could require an increase of up to 100 percent in the amount of capital the Nation invests each year in new and existing public works. In 1985, this amount was approximately $45 billion." It concludes that "If our public works were graded on an academic scale, the overall grade would be, C minus". When these grades are being considered, keep in mind that this is a subjective evaluation which took into account current as well as emerging problems. The Council went further and provided a report card (Figure 6) with a grade for each category of public works it examined. In keeping with its investment needs finding, the grades assigned were heavily weighted to economic efficiency and benefits received for costs incurred.

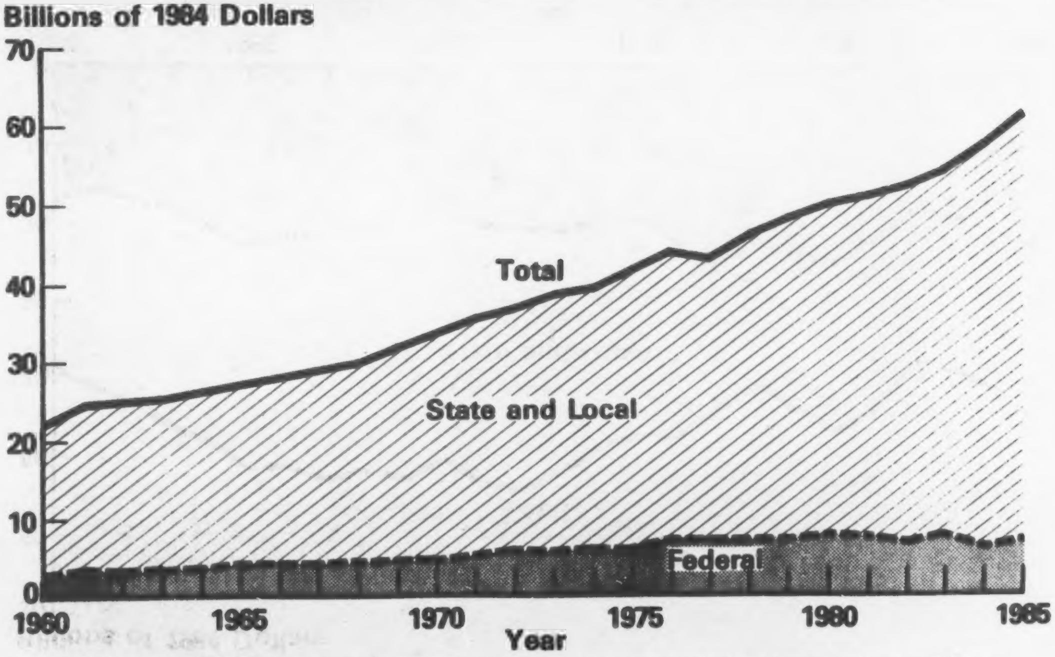
GOVERNMENT OUTLAYS FOR PUBLIC WORKS
CAPITAL



Source: Apogee Research, Inc. based on data drawn from Historical Tables, Budget of the United States Government, 1987. Office of Management and Budget.

Figure 7

GOVERNMENT OUTLAYS FOR PUBLIC WORKS
OPERATIONS AND MAINTENANCE



Source: Apogee Research, Inc. based on data drawn from Historical Tables, Budget of the United States Government, 1987. Office of Management and Budget.

Figure 8

The Council also found that Public works spending patterns are of particular concern when viewed in relation to other measures of economic activity. Some of the Council's findings with respect to these relationships include:

1. Total public spending on infrastructure has dropped from 3.6 percent of the gross national product (GNP) in 1960 to 2.6 percent in 1985.

2. While spending on operations and maintenance has remained a constant share of GNP, capital spending has dropped from 2.3 percent of GNP in 1960 to 1.1 percent today.

3. The relative share of public works spending at all levels of government has declined drastically from nearly 20 percent of total expenditures in 1950 to less than 7 percent in 1984.

In addition, the pattern of spending has also changed. Capital outlay's have decreased over time, (Figure 7) but operations and maintenance spending has increased particularly at the state and local level. (Figure 8) In response to these changes in government expenditures for the Nation's infrastructure, the Council recommended:

- Clarification of the respective roles of the Federal, state, and local governments in construction and management to focus responsibility and increase accountability:

- More flexible administration of Federal and state mandates to allow cost-effective methods of compliance;

- Accelerated spending of the Federal highway, transit, aviation, and waterways trust funds;

- Financing of a larger share of the cost of public works by those who benefit from services;

- Strong incentives for maintenance of capital assets and the use of low-capital techniques such as demand management, coordinated land-use planning, and waste reduction and recycling;

- Additional support for research and development to accelerate the technological innovation and for training of public works professionals; and

- A rational capital budgeting process at all levels of government.

Overall Conclusions

The CBO and NCPWI studies both recommended strategies for dealing with the infrastructure issue. The CBO study emphasized cost-effective infrastructure investment while the broader NCPWI report focuses on services. Moreover it concluded that the quality of America's infrastructure is barely adequate to fulfill current requirements and insufficient to meet the demands of future economic growth and development. The National Council on Public Works Improvement concluded in Fragile Foundations that, unless, we enhance the capacity and performance of the Nations public works, our generation will forfeit its place in the American tradition of commitment to the future.

What Can Be Learned from the CBO and Council Studies

Of critical concern, is the complementary nature of public and private, investment in infrastructure. That is, public investment in infrastructure tends to increase productivity of private capital. The figures cited in the studies document the increasing imbalance between public and private expenditures. The imbalance is becoming more extreme because public works investment is growing more slowly than the private capital investment. With a growing imbalance, we may not be getting as much value as we could from every dollar of private investment. The Council concluded that " private and public investment must be balanced to support stable economic growth"

Other important elements for deliberation are demonstrated by these two studies. Namely, that further infrastructure studies and strategies should primarily address levels of infrastructure service and benefits-based performance of our existing systems and not rely solely on standards-based numerical estimates for future infrastructure facilities. These studies are useful because they discuss various alternatives for providing improved service and maintenance of our infrastructure.

Technology research and development is another aspect of infrastructure strategy which must be addressed. Developing and applying innovative technologies are important components of the effort to improve the Nation's infrastructure. Equally important is the need for more information about long-term costs and expected useful life of alternative technology. Unfortunately, innovation often is prevented by barriers such as: lack of consensus on priorities, fragmentation of responsibility, competition for scarce resources, public unwillingness to change, institutional reluctance to change accepted standards, fear of risk and financial liability, pressure to maintain the status quo, and the high expense associated with research and development. Attention to research and development priorities should be elevated. Mechanisms are needed to encourage coordinated research and development programs, to test results through demonstration projects, and to provide risk-sharing arrangements that would encourage innovation.

Other Theories and Proposals

Infrastructure and the level and direction of public investment continue to generate new ideas and arguments on all sides of the issue. The recent work of Dr. David A. Aschauer with the Federal Reserve Bank of Chicago has attracted considerable attention. Recent research by Dr. Aschauer shows a close relationship between the decline in public sector investment over the past 20 years and the decline in private sector productivity.

His study indicates that government spending on roads, sewers and other elements of the public infrastructure increases private productivity. Or as he

ASCHAUER THEORY: KEY POINTS

- Link between Public Investment and Nation's Productivity
- U.S. Reduction in Investment in Public Works Has Resulted in Decline in Productivity
- Public Spending for Infrastructure Stimulates Private Investment

Figure 9

says, "government should .... provide public capital in order to allow private output to prosper". (Figure 9)

Summarizing Aschauer's thesis. He believes:

- There is a strong correlation between public investment in infrastructure and a Nation's productivity.

- The U.S.'s investment in public works has declined since 1970 and so too has its productivity. Of the total U.S. productivity decline of 1.2 percentage points since 1970, a full point "can be attributed to the neglect of infrastructure".

- Public infrastructure spending drains private investment only initially. After a few years, new roads, bridges, water systems, etc. stimulate private investment, ultimately inducing a cumulative rise in the private capital stock.
- Decline in public capital spending relative to employment and private investment forces businesses to absorb higher costs and lower productivity.

- An increase in infrastructure investment brings about an increase in export growth (increases competitiveness).

Another perspective on the level and direction of public investment in the Nation's infrastructure is provided by W. David Montgomery, a Senior

MONTGOMERY THEORY: KEY POINTS

- Rely on Benefit/Cost Analysis of Individual Projects or Classes of Projects
- Spending Reflects "Changing" Investment Opportunities
- Public Investment Is Needed for Projects Not Undertaken by Private Sector
- Questions Public Investment/Productivity Linkage
- Better Pricing — Rely on User Fees

Figure 10

Economist with the Congressional Budget Office. He questions the role public infrastructure investments have played in the Nation's economic growth. His central concerns are how to shape future infrastructure spending. (Figure 10)

- How should we decide how much is enough?

- How can we insure that our infrastructure spending reflects changing investment opportunities?

- How can we get the greatest flow of service from the existing stock of public capital?

Mr. Montgomery does not believe that we can look backward at the relationship between past infrastructure investment and draw conclusions about the future level and direction of public investment. Other points include:

- Aschauer Theory (a TOP-DOWN APPROACH) gives little guidance on how public investment should change in light of dramatic changes in the economy. It would be a mistake to base infrastructure policy on such a "backward approach" (that is, relying on past economic performance to judge what should be done in the future)

- A BOTTOM-UP APPROACH makes more sense. It relies on a benefit-cost analysis to determine what individual public works projects are economically justified for public capital spending; the total spending would equal the sum of spending needed for each individual project.

- Such an approach, in addition to requiring a benefit-cost analysis, requires that projects for public capital investment should be ones that will not be undertaken by the private sector on its own.

- Another alternative to spending more is spending more wisely. One means to achieve this is through better pricing of infrastructure services by relying on user fees to ration these services in an efficient way.

Both studies offer interesting points of view.

Aschauer's and Montgomery's recent works on the value of infrastructure and applications of benefit/cost analysis further extends the work of the Council and indicates the desirability of extending study in these areas as the basis for future infrastructure development and rehabilitation. Although we in the Corps and other Federal water agencies have routinely applied benefit/cost analysis, its systematic application is less commonly used in other infrastructure categories. Wider application of benefit/cost analysis with appropriate integration of environmental protection and risk considerations could yield large dividends for future infrastructure decision-makers. Similarly, appropriate pricing policies for publicly provided services can increase economic benefits derived from use of existing infrastructure and forestall the necessity for additional investment.

Comparison of Needs

While all the above studies discuss the apparent sad state of our infrastructure and make some gross predictions of needs, definitive and specific conclusions are difficult for a number of reasons. Because of a lack of benefit-cost analysis, studies can overstate required spending since they merely reflect the cost of repairing facilities to a given engineering or other standard, regardless of whether the benefits exceed the costs involved. Some short comings of previous studies noted by the Council in its review of the literature include: (1) emphasis on capital spending,(Hard Choices and AGC study) (2) concentrations on facilities rather than services, (AGC Study), (3) estimates based on varying standards whether or not they may be inappropriate to service demands (Hard Choices). Potential criticisms of other studies are (4) lack of consideration for budget or user-pay principle constraints and (5) failure to explore potential or better rationing of present levels of infrastructure services through appropriate pricing of those services.

A Special Report on State and Local Public Works Financing and Management

An important just released study "Rebuilding the Foundations: A Special Report on State and Local Public Works Financing and Management" by the U.S. Congress Office of Technology Assessment (OTA) also provides a great deal of useful information for consideration by this committee. The report is intended as background on the State and local context for OTA's report "Rebuilding the Foundations: Public Works Technologies, Management and Financing" to be completed in the summer of 1990. The first report corroborates that "...how to pay the bills for out Nation's public works (and other government services) remains a thorny and contentious issue". It further notes, regarding local governments that "they are responsible for managing and monitoring over 70 percent of the Nations public works facilities and services. They must also comply with Federal and State standards and regulations over which they have little control" and that "The Federal Challenge is to develop standards that consider local conditions and health risks, that implement National public health and safety goals and that maintain accountability." Most significantly the report finds widespread agreement that "...public works infrastructure needs upgrading and that additional investment would benefit individuals and the national economy alike". The report focuses on what it calls three critical and controversial national issues:

- Paying the bills
- Inadequate Public Works Infrastructure
- Preserving the Environment

The OTA report concludes that:

- All levels of government will inevitably have to raise taxes or fees to cover their costs, however, or they will have to eliminate or reduce programs and services.

- ..benefit charges and earmarked taxes have proven to be relatively reliable and politically acceptable revenue sources.

FUTURE CONSIDERATIONS

- Balance Public and Private Investment
- Ways Public Works Stimulate Productivity
- Base Investment on Service and Benefit Criteria
- Encourage and Transfer Innovative Technology
- Coordinate Federal, State, Local and Private Sector Strategies

Figure 11

- It is time for the Federal and State governments to ...create a coherent, supportive management framework that includes adequate financing.

Conclusions

Based on review of the studies and proposals which I have been summarizing in this statement, a sizable gap exists between infrastructure investment and dedicated resources. While no new needs assessment studies appear at present to be required, I would suggest that in our future interagency efforts we consider the following: (Figure 11)

1. Determination of the value of infrastructure as an aid in rehabilitation and/or development decisions;

2. The role of U.S. infrastructure in international economic competitiveness;

3. The balance between private and public investment to support economic growth;

4. Benefit-cost analysis consistent with environmental safeguards and risk analysis;

5. Refinement in level of service criteria and benefits provided as guides to desireable investment levels.

6. Capital budgeting and methods of generating capital for infrastructure development and repair.

7. Methods to encourage and spread innovation and it's transfer through both proven practice and research and development.

8. Development of recommendations for a coordinated strategy at the Federal, state and local levels and within the private sector to identify workable investment and financing strategies.

Mr. Chairman, this concludes my formal statement. I will be happy to answer any questions you may have.

REBUILD·AMERICA

A·COALITION·FOR·QUALITY·INFRASTRUCTURE·INVESTMENT

STATEMENT OF

JOHN HORSLEY

CHAIRMAN, BOARD OF COMMISSIONERS

KITSAP COUNTY, WASHINGTON

on behalf of

REBUILD AMERICA COALITION

on

THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

before the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES
RM 2167, RAYBURN HOUSE OFFICE BUILDING

March 29, 1990

GOOD MORNING. MY NAME IS JOHN HORSLEY. I AM CHAIRMAN OF THE BOARD OF COMMISSIONERS IN KITSAP COUNTY, WASHINGTON AND A FORMER PRESIDENT OF THE NATIONAL ASSOCIATION OF COUNTIES.

DURING MY TENURE AS THE PRESIDENT OF NACO, I HAD THE PRIVILEGE OF SERVING AS CHAIRMAN OF THE REBUILD AMERICA COALITION. REBUILD AMERICA IS A BROAD COALITION OF PUBLIC AND PRIVATE ORGANIZATIONS COMMITTED TO THE INFRASTRUCTURE CHALLENGE. ITS MEMBERSHIP INCLUDES LOCAL ELECTED OFFICIALS AND OTHER PUBLIC LEADERS WHOSE JOB IT IS TO MAINTAIN, INSPECT, AND PLAN FOR THE BUILDING AND REBUILDING OF OUR FACILITIES. THE COALITION IS FURTHER STRENGTHENED BY ORGANIZATIONS REPRESENTING ENGINEERS, BUILDERS, FINANCIERS, CONTRACTORS, AND ARCHITECTS WHOSE CAREERS ARE DEDICATED TO THE HIGHEST STANDARDS OF QUALITY, SAFETY, AND COST EFFECTIVENESS.

I WOULD LIKE TO BEGIN MY TESTIMONY BY INTRODUCING A SHORT VIDEO PRODUCED BY THE COMMITTEE STAFF USING THE VIDEO RESOURCES OF THE REBUILD AMERICA COALITION. WHILE THE MEMBERS OF REBUILD AMERICA COALITION ARE PROUD OF THE INDIVIDUAL AND ORGANIZATIONAL CONTRIBUTIONS TO BUILDING ONE OF THE MOST COMPLEX INFRASTRUCTURE SYSTEMS IN THE WORLD, WE MUST BE KEENLY AWARE OF THE SIGNIFICANT CONSEQUENCES OF DISINVESTMENT AND ITS FUTURE EFFECT ON OUR QUALITY OF LIFE.

(VIDEO - 12 MINUTES)

MR. CHAIRMAN, I COMMEND YOU FOR HOLDING THESE IMPORTANT HEARINGS ON OUR NATION'S INFRASTRUCTURE.

OUR COUNTRY IS AT AN EXTRAORDINARY TURNING POINT. THE COLD WAR, WHICH HAS DOMINATED BOTH NATIONAL AND INTERNATIONAL PRIORITIES FOR GENERATIONS, IS FADING. THIS CHANGE OFFERS OUR NATION AN OPPORTUNITY TO RE-EXAMINE OUR PRIORITIES FOR BUDGETING AT THE NATIONAL LEVEL.

MR. CHAIRMAN, NOW IS THE TIME FOR THE PRESIDENT AND THE CONGRESS TO REFOCUS THE NATION'S RESOURCES, STRENGTH, AND IMAGINATION ON REBUILDING AMERICA.

AS POLITICAL AND SOCIAL CHANGES SWEEP AROUND THE GLOBE, WE ALSO BELIEVE THAT OUR WILLINGNESS TO INVEST PRODUCTIVELY IN THE NATION'S PUBLIC INFRASTRUCTURE -- TO INVEST IN OUR FUTURE -- IS CRITICAL TO OUR ABILITY TO COMPETE IN AN INTERNATIONAL ECONOMY.

AS YOU HAVE HEARD FROM EARLIER TESTIMONY, THE INFRASTRUCTURE NEEDS OF THIS NATION ARE SUBSTANTIAL, AND WELL DOCUMENTED.

IN THE PACKETS BEFORE YOU, WE HAVE PROVIDED SOME OF THE COALITION'S PUBLICATIONS THAT CONSOLIDATE MUCH OF THE NEEDS ASSESSMENTS THAT HAVE BEEN UNDERTAKEN. YOU WILL ALSO FIND A STATE BY STATE FACT SHEET ON INFRASTRUCTURE NEEDS.

AT THIS TIME, I WOULD LIKE TO HIGHLIGHT A FEW POINTS ABOUT THE NEEDS AND THEN BRIEFLY OFFER SOME RECOMMENDATIONS TO MEET THESE GROWING NEEDS.

AMERICA'S INFRASTRUCTURE IS NOT ONLY DETERIORATING DUE TO AGING FACILITIES, BUT UNDERINVESTMENT IN NEW FACILITIES IS OVERBURDENING CURRENT DEMANDS. A QUICK LOOK AT SOME OF THE MAJOR COMPONENTS OF THE INFRASTRUCTURE SYSTEM REVEALS THE UNRAVELING FABRIC OF THIS VITAL FOUNDATION:

- THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS ESTIMATED AN ANNUAL CAPITAL INVESTMENT REQUIREMENT OF $58.5 BILLION IS NEEDED TO MEET FUTURE HIGHWAY TRANSPORTATION NEEDS. THIS COMPARES WITH CURRENT ANNUAL EXPENDITURES BY ALL LEVELS OF GOVERNMENT OF $31.0 BILLION;

- OVER 41 PERCENT OF THE 577,710 BRIDGES IN THE 1988 NATIONAL BRIDGE INVENTORY ARE EITHER STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE. THE FEDERAL HIGHWAY ADMINISTRATION ESTIMATES THAT BETWEEN NOW AND THE YEAR 2005, A $93 BILLION INVESTMENT WILL BE NEEDED.

- THE SITUATION FACING OUR NATION'S OVERBURDENDED AIRPORT AND AIRWAY SYSTEM IS BECOMING CRITICAL. ACCORDING TO THE FAA, MORE THAN 696 MILLION PASSENGERS ARE EXPECTED TO FLY ON COMMERCIAL AIRLINES EACH YEAR BY 1998. THIS REPRESENTS A 70 PERCENT INCREASE FROM THE 409 MILLION PASSENGERS WHICH THE FAA ESTIMATES FLEW ON COMMERCIAL AIRLINES IN FY 1986;

- MASS TRANSIT HAS SEEN A 50% REDUCTION OF FEDERAL SPENDING IN REAL TERMS OVER THE LAST TEN YEARS. THE AMERICAN PUBLIC TRANSIT ASSOCIATION REPORTS THAT A DOUBLING OF FEDERAL INVESTMENT IS NECESSARY TO RESTORE RECENT DECLINES IN THE PURCHASING POWER OF SUCH ASSISTANCE AS A RESULT OF INFLATION AND PROGRAM REDUCTIONS SINCE 1981.

- THE ENVIRONMENT PROTECTION AGENCY ESTIMATES THAT 10,835 WASTEWATER FACILITIES HAVE DOCUMENTED WATER-QUALITY OR PUBLIC HEALTH PROBLEMS. WASTEWATER TREATMENT PLANT CONSTRUCTION TO MEET THE NEEDS OF THE POPULATION IN 2008 WILL REQUIRE AN ADDITIONAL INVESTMENT OF $83.5 BILLION.

WE ARE ENCOURAGED THAT THE BUSH ADMINISTRATION HAS RECOGNIZED THE NECESSITY OF A NATIONAL TRANSPORTATION STRATEGY FOR THE 1990's AND BEYOND. THE NEW POLICY ACKNOWLEDGES THE NEED FOR ATTENTION TO OUR AGING TRANSPORTATION INFRASTRUCTURE.

AS A LOCAL ELECTED OFFICIAL, HOWEVER, I AM DISTURBED AT THE STRATEGY'S GOAL OF SHIFTING THE FINANCIAL RESPONSIBILITY OF AMERICA'S TRANSPORTATION INFRASTRUCTURE TO STATE AND LOCAL GOVERNMENTS. THIS REPRESENTS A FURTHER EROSION OF THE FEDERAL FINANCIAL RESPONSIBILITY. WE NEED TO GET OUR NATIONAL TRANSPORTATION POLICY TOGETHER AND IN GEAR, AND FROM OUR PERSPECTIVE, SOME OF THE GEARS ARE STILL CLASHING HERE IN WASHINGTON.

ALONG WITH THE RELEASE OF A TRANSPORTATION STRATEGY, THIS ADMINISTRATION HAS MADE A CLEAN AND HEALTHY ENVIRONMENT AN INTEGRAL PART OF ITS DOMESTIC POLICIES.

NEW FEDERAL REQUIREMENTS FOR PUBLIC WORKS ARE BEING IMPOSED THAT AFFECT DRINKING WATER QUALITY, SOLID WASTE DISPOSAL AND WASTEWATER TREATMENT JUST AS EPA CONSTRUCTION GRANT ASSISTANCE IS BEING PHASED OUT. ACCORDING TO THE RECENTLY RELEASED OFFICE OF TECHNOLOGY ASSESSMENT (OTA) REPORT, A STRONG CASE CAN BE MADE FOR A DEDICATED FEDERAL FUND TO ASSIST STATES IN SUPPORTING LOCAL EFFORTS TO COMPLY WITH NEW ENVIRONMENTAL REQUIREMENTS. LACKING SUCH SUPPORT, ACCORDING TO OTA, MANY AREAS ARE LIKELY TO FALL INTO NONCOMPLIANCE.

MEETING THESE CHALLENGES REQUIRES THAT WE CRITICALLY REEVALUATE THE PERSPECTIVES AND PRACTICES THAT GUIDED TRANSPORTATION AND ECONOMIC DEVELOPMENT DECISIONS OVER THE PAST TWO DECADES, AND SEEK BROAD AGREEMENT ON HOW TO GENERATE FUNDS FROM ALL LEVELS OF GOVERNMENT AND THE PRIVATE SECTOR.

EXPENDITURE OF THE TRANSPORTATION TRUST FUNDS

IN THE FORM OF GASOLINE TAXES AND THE TICKET TAX ON AIR TRAVEL TO BE MAINTAINED BY THE FEDERAL GOVERNMENT IN DEDICATED TRUST FUNDS. CURRENTLY, ABOUT $28.8 BILLION REMAINS UNSPENT IN THE HIGHWAY, MASS TRANSIT AND AVIATION TRUST FUNDS WHILE AMERICANS COOL THEIR COLLECTIVE HEELS ON AIRPORT RUNWAYS AND IN CONGESTED TRAFFIC.

AN INCREASE IN FUNDING FOR THE FEDERAL HIGHWAY PROGRAM TO $15 BILLION, APPROXIMATELY $2.7 BILLION ABOVE THE CURRENT YEAR LEVEL, CAN BE ACCOMPLISHED WITHOUT A TAX INCREASE. THE EXTRA FUNDS WILL BE AVAILABLE IN THE HIGHWAY TRUST FUND BY SIMPLY USING THIS YEAR'S RECEIPTS PLUS THE INTEREST GENERATED FROM THE ACCUMULATED BALANCE IN THE TRUST FUND. THE EFFECT ON OUTLAYS WILL BE MINIMAL IN FY 1991 AS SPENDOUT FOR THE HIGHWAY PROGRAM IS SLOW.

WE URGE THIS COMMITTEE TO CONTINUE ITS LEADERSHIP ROLE IN SUPPORTING THE USER FEE CONCEPT FOR TRANSPORTATION AND TO ASSURE THAT THESE FUNDS ARE FULLY EXPENDED FOR THE PURPOSES THEY ARE COLLECTED.

TAX EXEMPT MUNICIPAL BONDS

CAPITAL INVESTMENTS AT THE STATE AND LOCAL LEVEL HAVE BEEN AND ARE FUNDED LARGELY THROUGH THE USE OF MUNICIPAL BONDS. OVER THE PAST EIGHT YEARS, HOWEVER, THE TAX CODE HAS BEEN REVISED NO LESS THAN SIX TIMES. EVERY TIME THE TAX CODE HAS BEEN "REFORMED", THE ABILITY OF STATE AND LOCAL GOVERNMENTS TO MEET THE INFRASTRUCTURE NEEDS OF OUR NATION HAS BEEN FURTHER CURTAILED.

EACH AND EVERY ENCROACHMENT HAS SIMPLY INCREASED THE COST OF BUILDING, MAINTAINING, AND REBUILDING HOUSING, STREETS, AIRPORTS, BRIDGES, WASTEWATER FACILITIES AND OTHER PUBLIC CAPITAL FACILITIES. THE SO-CALLED REFORMS HAVE NOT ONLY LIMITED STATE AND MUNICAPL AUTHORTY TO ISSUE CAPTIAL FINANCING, BUT HAVE SEVERELY ERODED THE POTENTIAL MARKETS FOR SELLING OUR BONDS.

FURTHERMORE, IN ADDITION TO THESE FEDERAL TAX CODE REVISIONS, THERE ARE LIMITS SET BY STATE LAW, STATE CONSTITUTIONS AND CITIZEN INITIATIVES WHICH RESTRICT LOCAL GOVERNMENTS' ABILITY TO RAISE REVENUES.

LOCAL GOVERNMENTS HAVE INCREASED THEIR OWN REVENUES BY RAISING LOCAL TAXES AND INITIATING OR INCREASING USER FEES. THESE RESOURCES ALONE CANNOT MEET THE NATION'S INFRASTRUCTURE NEEDS.

FEDERAL INFRASTRUCTURE SPENDING REPORTING

A PROPOSAL ADOPTED BY NACO -- AND AN IDEA I HOPE TO BRING BEFORE THE REBUILD AMERICA COALITION AT THEIR NEXT MEETING -- IS THE SUPPORT FOR LEGISLATION WHICH WOULD SET AN ANNUAL NATIONAL GOAL FOR INFRASTRUCTURE INVESTMENT BASED ON PROJECTED NEEDS. A YEARLY REPORT WOULD THEN BE ISSUED ON THE STATUS OF THE ATTAINMENT OF THAT GOAL AND SUCH REPORT WOULD REFLECT THE FEDERAL, STATE, AND LOCAL GOVERNMENTS' INVESTMENT IN INFRASTRUCTURE.

BY REQUIRING THIS REPORT, THE CITIZENS OF THIS COUNTRY CAN ACCURATELY ASSESS IF ADEQUATE INVESTMENTS ARE BEING MADE TO IMPROVE THEIR QUALITY OF LIFE THROUGH INFRASTRUCTURE SPENDING.

I WOULD ALSO LIKE TO SHARE WITH THE COMMITTEE A WORKBOOK PUBLISHED BY NACO AND THE NATIONAL ASSOCIATION OF HOMEBUILDERS, TITLED, "BUILDING TOGETHER, INVESTING IN COMMUNITY INFRASTRUCTURE." THE WORKBOOK OUTLINES A PROCESS THROUGH WHICH MEMBERS OF THE COMMUNITY CAN WORK TOGETHER TO FIND SOLUTIONS TO THEIR INFRASTRUCTURE NEEDS. THE BOOK WAS RELEASED IN JANUARY AND MANY COMMUNITIES ARE NOW STARTING THE PROCESS.

IN SUMMARY, MR. CHAIRMAN, THE REBUILD AMERICA COALITION HAS DEVELOPED A FIVE POINT CONSENSUS LEGISLATIVE PROGRAM TO MAINTAIN AND EXPAND OUR NATION'S INFRASTRUCTURE:

1) THERE SHOULD BE NO FURTHER FUNDING REDUCTIONS IN EXISTING FEDERAL PROGRAMS THAT ADDRESS INFRASTRUCTURE NEEDS;

2) THE EXISTING FEDERAL INFRASTRUCTURE TRUST FUNDS MUST BE CONTINUED, ADEQUATELY FUNDED, AND FULLY EXPENDED FOR THEIR INTENDED PURPOSES;

3) FEDERAL RESTRICTIONS ON THE USE OF TAX EXEMPT FINANCING FOR INFRASTRUCTURE PURPOSE SHOULD BE ELIMINATED;

4) A FEDERAL CAPITAL INFRASTRUCTURE PROGRAM SHOULD BE CREATED TO PROVIDE ASSISTANCE TO STATES AND LOCALITIES IN MEETING INFRASTRUCTURE NEEDS;

5) A FEDERAL LONG-TERM MULTI-YEAR CAPITAL BUDGET SHOULD BE ESTABLISHED.

THANK YOU MR. CHAIRMAN.

SUBMISSIONS FOR THE RECORD

INCREASING
INFRASTRUCTURE
INVESTMENT

AMERICA'S INFRASTRUCTURE: PRESERVING OUR QUALITY OF LIFE

REBUILD·AMERICA

A•COALITION•FOR•QUALITY•INFRASTRUCTURE•INVESTMENT

REBUILD·AMERICA

A•COALITION•FOR•QUALITY•INFRASTRUCTURE•INVESTMENT

This report is the second in a series of reports that addresses various elements of America's infrastructure problems and solutions to these problems. Copies of the Rebuild America Coalition's first report, *(Making America's Economy Competitive Again)*, are available from the Rebuild America Coalition secretariat.

The Rebuild America Coalition is composed of private and public sector organizations who have recognized the need to protect the nation's investment in its entire range of public facilities. . . America's infrastructure.

Participation in the Rebuild America Coalition does not oblige any of the individual member organizations to support or endorse the infrastructure policies of the other coalition members.

AMERICA'S INFRASTRUCTURE: PRESERVING OUR QUALITY OF LIFE

American history has shown that the very essence of the American experience is a striving to make a better life, to build, and to leave behind more than we found when we arrived. In recent years, not only have Americans sought an ever higher standard of living, making their children's lives better than their own, they have also become intensely concerned over the quality of that life.

Economist William Baumol of Princeton University has stated that:

> Although the term 'quality of life' eludes precise definition, we normally use it to refer to more than just the state of the natural environment. In addition to the cleanliness of our air and water and the condition of forest and field, the quality of life in our highly urbanized society depends critically on a wide range of amenities. Urban sprawl, decaying neighborhoods, and frustrating congestion become fully as important as the degradation of beautiful canyons or the extinction of animal species.

Our quality of life is ensured not just by what we as individuals do, but also by the concerted actions of our community to create and preserve the qualities we admire in our natural and in our built environment. Mayor Terry Goddard of Phoenix, President of the National League of Cities, has said that "Since most Americans live in cities or towns, our quality of life (or lack thereof) is most impacted by city government. Collectively, cities are the basis of American productivity; if our cities are successful in providing high quality services, this country has a chance to meet the challenge of foreign competition. When cities work, America works."

Only through investing in our nation's infrastructure—the roads, bridges, airports, educational and public buildings, water supply and wastewater treatment facilities, and solid waste disposal facilities that form the backbone of our communities—can we as a nation make sure that the quality of life so valued by this generation will be in place for future generations.

Yet, for the past two decades America has been neglecting these same public works. Capital spending on public works investment dropped from 2.3 percent of the gross national product in 1960 to less than 1.1 percent in 1985. The United States now ranks fifty-fifth in the world in capital investment in infrastructure.

This results in congestion and increasing frustration with the way our communities function. But just as important, the American standard of living is put in jeopardy as well. A Massachusetts Institute of Technology blue ribbon panel, The Commission on Industrial Productivity, noted in the recent book *Made in America* that "To live well, a nation must produce well. In recent years many observers have charged that American industry is not producing as well as it ought to produce, or as well as it used to produce. If the charges are true and if the trend cannot be reversed, then sooner or later the American standard of living must pay the penalty."

To provide for a higher level of productive economic performance in the future, the MIT Commission recommends that the nation focus on four major kinds of investment—basic education and literacy, long-term business strategies, policies that stimulate productive private investment, and **investment in infrastructure for productive performance**.

It is now widely recognized that the condition of America's infrastructure is at a crisis stage, endangering the public safety, lowering U.S. economic competitiveness, and diminishing the overall quality of life. But the current situation won't even approach the critical nature of the future crisis if remedial actions are not taken now. America's population is expected to increase by forty-four million people over the next thirty years, adding even more pressure to already overburdened public works facilities.

What has caused this decline in infrastructure investment, and consequently, in our quality of life? Since 1970, the American economy has created jobs at a rate twice that of population growth. Metropolitan areas now account for three-quarters of the total U.S. population, with more than forty percent of America living in the suburbs. Nearly ninety percent of the growth during the eighties has been in metropolitan areas.

At the same time, the relationships between federal, state and local governments have been undergoing some major changes during the 1980s. The federal budget deficit, as well as a philosophical view during the Reagan Presidency that more responsibility should shift to the state and local level, has resulted in the termination or reduced funding of many programs that had financed infrastructure projects. The federal share of infrastructure spending for fixed capital formation declined from 41 percent in 1981 to 34.5 percent in 1986. From 1980 through 1987, federal aid to states and cities declined 37 percent in real terms (adjusted for inflation).

The federal government has also enacted mandates and regulatory programs for states and localities to enforce while restricting the resources available to fund these programs. This situation has led Governor Blanchard of Michigan to state that "Washington has gone from revenue sharing to revenue bleeding." The federal government, confronting budget deficits of its own, also terminated its revenue sharing program with the states but continues to order up programs for the states to implement.

In America, 83,216 state, county and municipal governments, as well as special districts and school districts, share responsibility with the federal government for providing the public works that form the nation's infrastructure. Where one federal program, revenue sharing, satisfied many needs, now thousands of governments at all levels must take action to fill the gaps created. "Obviously, . . ." Mayor George Latimer of St. Paul has written, "we need to approach our problems differently. We need to approach them in a way that is new, up-to-date and realistic, but one which is rooted in traditional American values and acknowledges the limited level of resources available."

The general revenue sharing program, which returned $4 billion to local governments, was abolished in 1986. Programs providing funding for rural America have been cut by over 67 percent since 1980. Secondary highway systems lost over 60 percent of funding, the Farmers Home Administration water and wastewater disposal grants lost 75 percent, the Environmental Protection Agency's construction grants program was cut by three-quarters, and Community Development Block Grants lost one-third of funding.

Even some of our most vital infrastructure programs are being held hostage to the federal budget deficit. Users of the nation's transportation systems contribute user fees in the form of gasoline taxes and the ticket tax on air travel to be maintained by the federal government in dedicated trust funds. The proceeds of these transportation trust funds can only be spent for these surface and aviation transportation programs. When the federal government does not invest all the money that is collected for pressing highway and airport needs, a balance mounts in the federal Treasury which is used to reduce borrowing needs to finance other federal programs. Currently, about $28.8 billion remains unspent in these two funds while Americans cool their collective heels on airport runways and in traffic jams.

The funding crisis in the capital programs of state and local governments is easily seen when specific cities are examined. For example, New Orleans received $89 million in 1984 in federal and state aid. In 1988, the city only received $22 million. In fact, eight percent of general purpose local governments in the U.S. now receive no federal funding at all. A survey of City Fiscal Conditions in 1989 by the National League of Cities found that in response to budgetary pressures, 36 percent of municipalities reduced capital spending this year. A majority of the cities cited loss of federal funding, particularly revenue sharing, as the major reason causing them to cut infrastructure spending.

What remains as the most stable method of raising money for public investment is state and local government borrowing. The primary vehicle for such borrowing is the tax-exempt municipal bond. Municipal bonds have traditionally been a staple of state and local project finance. The exemption from federal taxes on municipal bonds allows state and local governments to finance their public projects at much lower interest rates than those available to private corporations.

In addition, borrowing allows state and local governments to spread the costs of their investments over time, as benefits from the investments accrue. In 1986 borrowing accounted for 50 percent of all state and local capital investment. Moreover, public approval for this kind of borrowing is high. In the 1980s over 74 percent of the bonding authority requested by state and local government through bond referendums has been approved by voters. Clearly, voters understand the importance of public investment to address infrastructure needs, and the need for states and localities to borrow to finance this investment.

AMERICAN PUBLIC SAYS "YES" ON BOND ISSUES

Year	Percent Volume Approved	Total Volume Approved*	Total Volume Voted On
1989 **	70.1%	$ 4,510.0	$ 6,433.7
1988	80.7%	$ 21,130.0	$ 26,183.4
1987	73.3%	$ 8,480.0	$ 11,566.9
1986	82.7%	$ 13,370.0	$ 16,166.9
1985	83.2%	$ 9,160.0	$ 11,009.6
1984	81.0%	$ 10,630.0	$ 13,123.5
1983	61.1%	$ 7,160.0	$ 1,171.5
1982	83.2%	$ 8,890.0	$ 10,685.1
1981	57.2%	$ 5,030.0	$ 8,793.7
1980	71.0%	$ 6,280.0	$ 8,971.4

Note: Voter turnout is lighter in non-election years, making bond issues more difficult to pass.

* All dollar amounts are given in millions.

** Does not reflect November, 1989 elections.

Source: The Bond Buyer

Unfortunately, federal policy-makers in the mid-1980's seemed less favorably inclined to state and local borrowing. Over the last decade the federal government has taken steps to limit the scope of tax-exempt borrowing through a variety of means. On the supply side, private participation in projects financed by tax-exempt bonds has been limited, reducing the scope of public-private partnerships. The volume of tax-exempt bonds issued for certain purposes has also been restricted. Moreover, the federal government has limited the ability of state and local governments to earn money on borrowed funds while these funds are idle, pending expenditures on public projects. Prior to the imposition of these limits, state and local governments used investment earnings to reduce the cost of their projects. All of these measures have limited the ability of states and localities to finance important public projects with tax-exempt bonds.

Equally important is that steps have been taken to limit the attractiveness of municipal bonds to investors. Subjecting certain types of otherwise tax-exempt municipal bonds to the alternative minimum tax weakens the demand for these bonds by property and casualty insurance companies, the major corporate investor in bonds. Furthermore, banks have essentially been eliminated as investors in most kinds of long-term municipal bonds through the elimination of their ability to deduct the cost of carrying these bonds. These restrictions on demand mean that state and local governments must pay higher interest rates to attract investors for their bonds. Higher interest rates, of course, increase the costs associated with financing public projects.

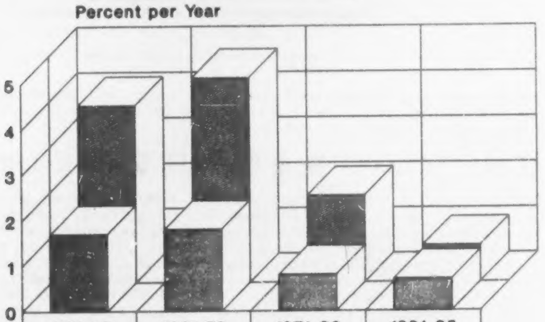
Postponing action on infrastructure investment also leads to increasing costs. Not only do facilities continue to deteriorate, but a four percent rate of inflation would mean that a 60 percent increase in funds would be needed by the year 2000 just to have the same buying power.

If the costs of delay are prohibitive, the benefits of taking action now are enormous. David Aschauer, a senior economist at the Federal Reserve Bank of Chicago, says that "Raising the level of public investment spending from its current abysmal level of less than one-half of one percent of GNP to a modest 2 percent—some $80–90 billion dollars per year—would work wonders." Dr. Aschauer bases his conclusions on research demonstrating a relationship between public investment and productivity in the major industrialized countries.

In a recent article, Dr. Aschauer concludes that "an increase in the level of public investment by one percent of gross output yields a gain in productive growth of about 0.4 percent per year." In earlier articles, Aschauer points to differing rates of productivity growth in the major industrialized countries. The clear implication of Aschauer's work is that the United States can take positive action to improve its economic fortunes through a policy of increased public investment.

A closer look at each area of our nation's infrastructure reveals the threat to our quality of life and our standard of living on each front. The costs of repair

INFRASTRUCTURE AND PRODUCTIVITY



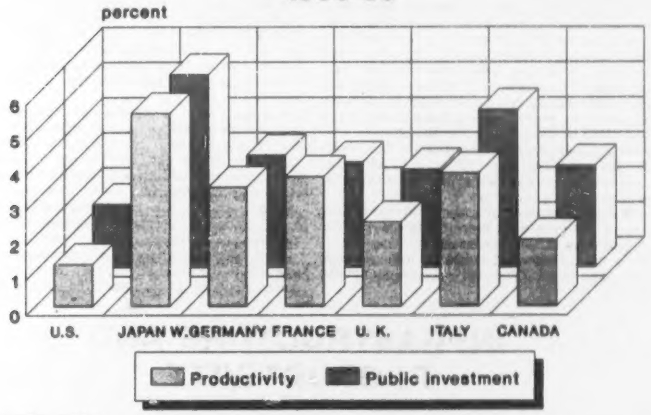
	1951-60	1961-70	1971-80	1981-85
INFRA. ■	3.9	4.5	1.9	0.8
PROD. ■	1.7	1.8	0.8	0.7

Years

SOURCE: BUREAU OF LABOR STATISTICS

The growth rate each year in public capital stock measures infrastructure investment; the growth rate of productivity in the economy is measured by the annual growth rate of total factor productivity.

"GROUP OF SEVEN" COUNTRIES
1960-86



SOURCE: OECD

Productivity is the average annual growth rate in total factor productivity from 1960-1986; public investment is the average annual increase over the last 25 years in public facilities.

and meeting the needs of growth are high, but are clearly justified in every area. The infrastructure needs described fall into two interrelated major concerns—ensuring a clean, safe environment and providing an efficient transportation network.

QUALITY OF LIFE: A CLEAN, SAFE ENVIRONMENT

A clean, safe environment is central to the concept of 'quality of life.' The evidence shows incontrovertibly that the real cost of pollution is high. At the least, water pollution damages aquatic life and interferes with commercial fishing. The availability of a ready supply of clean drinking water is basic to society as we know it. Protection from the harmful impact hazardous waste can have on our communities is also expected from our government.

Business Week (August 21, 1989) examined new methodologies being developed by economists to assess the importance of the environment, concluding that "Economists are coming up with numbers that show that people put an extraordinarily high value on preserving an unspoiled environment. And even if the methods aren't perfect, being able to place a value on the wonders of nature will make paying for a clean environment less onerous."

Public buildings also play a central role in ensuring a safe and healthy community. As important as the natural environment is, communities rely on their schools, their courts, their fire stations, their hospitals, and their prisons to provide the backbone of civilized society. Much higher levels of investment are required to rebuild the vertical infrastructure, such as asbestos removal in many of the nation's older school buildings, and provide additional capacity, as in the need to build many additional prisons to meet court orders.

CLEAN WATER

Cleaning up the nation's polluted rivers, bays and streams to preserve the environment for fishing and recreational uses continues to be a priority demanded by the nation's citizens. Since signing of the Water Quality Act of 1965, over $60 billion of federal funds have been spent cleaning up the nation's waterways. The quality of some 47,000 miles of monitored streams has markedly improved as a result. In Lake Erie—pronounced biologically dead 15 years ago—perch, walleye, and even largemouth bass and coho salmon are thriving. Trout have returned to the Hudson River near New York City.

According to the Environmental Protection Agency's National Water Quality Inventory Report, substantial reductions have occurred in pollutants. Sewage treatment plants are removing about 13,600 tons per day of the two principal conventional pollutants—suspended solids and Biological Oxygen Demand—an increase of 65 percent over 1973 levels.

But elsewhere, 311,000 miles of water have worsened or remain unchanged. The Environmental Protection Agency compiles a biannual survey of the cost of constructing publicly-owned wastewater treatment works necessary to meet the goals of the Clean Water Act. Included in the survey are estimates for all types of required changes to wastewater facilities, such as the construction of entirely new facilities, and enlarging, upgrading, abandoning and replacing existing facilities.

EPA estimates that 10,835 facilities (of a total 15,591) have documented water-quality or public-health problems. Existing facilities are considered for replacement when they have reached the end of their design life and are no longer able to operate satisfactorily.

The 1988 Needs Survey identifies "current needs" for facilities to meet wastewater treatment needs of the U.S. population on January 1, 1988. The survey also provides a projection of "design year needs"—the facilities that will be required to adequately protect the environment by providing the wastewater treatment required for a projectedpopulation in the year 2008.

Wastewater treatment plant construction to meet the needs of the population in 2008 will require an additional investment of $83.5 billion. These needs fall into seven categories:

Secondary Treatment—$26.8 billion
Advanced Treatment—$5.0 billion
Infiltration/Inflow Correction—$2.9 billion
Replacement/Rehabilitation—$3.7 billion
New Collector Sewers—$13.8 billion
New Interceptor Sewers—$14.9 billion
Combined Sewer Overflows—$16.4 billion

However, the EPA has estimated that 400 cities and towns will be unable to meet the deadlines set by the Clean Water Act for their secondary treatment facilities. Of the rivers and streams in the United States that do not meet their state water quality standards, 17 percent are failing because of pollution from inadequate wastewater treatment. Of U.S. estuaries, 22 percent are not meeting their standards because of needed wastewater plant construction.

Eighty-seven percent of all publicly-owned sewage treatment plants in the country provide secondary or better treatment for 95 percent of the nation's sewage. Secondary treatment protects communities from the disease potential of untreated human waste and removes materials that can rob waters of oxygen necessary for aquatic life.

When the Clean Water Act was reauthorized, only a $2.4 billion annual funding level was provided toward meeting these $83.5 billion future needs. Additional funds are being raised at the state and local level, although constrained by changes in the laws governing tax-exempt bonds. New York, California, Florida, Massachusetts, and Texas show the largest construction needs to meet clean water targets.

A separate survey conducted by the Association of State and Interstate Water Pollution Control Administrators summarizes the 7,590 identified municipal wastewater treatment projects that will be necessary to first bring communities into compliance with the Clean Water Act, and then keep them in compliance over the next five years as population increases.

SAFE DRINKING WATER

Rising environmental and public health concerns led to new federal requirements for filtration, disinfection, and lead removal from drinking water mandated by the five-year reauthorization of the Safe Drinking Water Act Amendments (SDA) of 1986. This law applies to all 210,000 public water systems in the nation, including any system that serves 25 or more people or has 15 or more service connections. Almost 40,000 U.S. water systems were out of compliance with the more lenient, pre-1986 requirements.

EPA's ground water supply survey in 1983 found that about 28 percent of randomly selected large municipal water systems (serving more than 10,000 people) had detectable levels of one or more volatile organic chemicals in their ground-water supplies. The agency found that water from 45 percent of large public water systems relying on groundwater had detectable levels of volatile organic chemicals. Forty-two million Americans are exposed to potentially harmful levels of lead in their drinking water.

The Environmental Protection Agency estimates that the cost to localities of meeting these new drinking water mandates is up to $3 billion annually. The Safe Drinking Water Act Amendments provide some $55 million over four years for matching grants to states to establish wellhead protection programs. Otherwise, there has been no federal program to provide funding for drinking water systems, and existing financing mechanisms have not been able to meet growing needs.

Perhaps more importantly, many construction needs stem from the need to repair and replace deteriorating systems. A 1986 study by the Congressional Budget Office estimated that water supply needs over the next twenty years will range between $3.6 billion and $5.4

WASTEWATER TREATMENT PROJECT NEEDS

	ASIWPCA Municipal Needs Survey ($ in millions)				EPA Needs Survey ($ in millions)	
	Clean Water Act Compliance		Compliance in Five Years		Current Needs	Population Growth Needs
State	Projects	Costs	Projects	Costs	Cost	Cost
Alabama	26	$23.5	69	$130.0	$647	$781
Alaska	0	0.0	39	83.6	107	221
Arizona	1	1.0	104	225.0	542	979
Arkansas	0	0.0	170	35.0	257	370
California	8	716.0	24	658.4	5,257	6,539
Colorado	1	0.3	61	100.4	163	198
Connecticut	5	120.0	86	720.0	1,287	1,382
Delaware	n/a	n/a	n/a	n/a	82	127
Florida	0	0.0	115	781.0	3,884	6,186
Georgia	0	0.0	161	781.0	615	1,007
Hawaii	2	134.4	212	1,091.8	226	413
Idaho	4	1.7	21	61.2	66	134
Illinois	0	0.0	780	1,700.0	2,764	2,898
Indiana	0	0.0	84	394.5	1,582	1,721
Iowa	20	20.0	90	90.0	611	646
Kansas	0	0.0	17	290.0	495	730
Kentucky	34	61.0	97	287.3	1,108	1,457
Louisiana	2	9.0	70	569.0	664	1,169
Maine	22	100.0	61	900.0	299	341
Maryland	0	0.0	79	808.4	698	919
Massachusetts	4	800.0	116	6,400.0	5,446	5,836
Michigan	1	9.0	81	1,200.0	3,125	3,321
Minnesota	24	106.0	60	136.0	902	1,106
Mississippi	20	15.4	25	43.5	410	—
Missouri	2	300.0	19	106.0	866	1,222
Montana	n/a	n/a	n/a	n/a	57	69
Nebraska	0	0.0	360	1,000.0	99	114
Nevada	0	0.0	31	150.0	101	165
New Hampshire	0	0.0	40	175.0	709	884
New Jersey	0	0.0	310	2,900.0	—	3,784
New Mexico	0	0.0	31	66.0	92	130
New York	78	1,764.0	547	5,582.0	11,583	12,721
North Carolina	0	0.0	236	377.0	1,212	1,799
North Dakota	0	0.0	12	46.0	31	34
Ohio	40	71.0	185	440.0	3,141	3,579
Oklahoma	0	0.0	7	28.1	286	476
Oregon	0	0.0	115	1,000.0	992	1,273
Pennsylvania	45	144.2	850	3,004.0	1,439	1,844
Rhode Island	0	0.0	25	93.4	384	408
South Carolina	1	1.0	114	290.4	441	884
South Dakota	0	0.0	36	63.4	61	87
Tennessee	11	9.1	79	148.7	898	1,467
Texas	0	0.0	1,289	3,307.0	3,306	4,976
Utah	0	0.0	38	77.9	292	583
Vermont	5	10.0	20	46.1	202	209
Virginia	0	0.0	173	1,040.0	786	857
Washington	11	886.0	3	2,880.0	2,143	2,685
West Virginia	26	75.0	48	123.9	862	976
Wisconsin	0	0.0	182	625.0	1,204	1,399
Wyoming	0	0.0	0	0.0	17	18
U.S.Total	387	5,096.6	7,230	40,493.8	66,093	80,831

Sources: Association of State and Interstate Water Pollution Control Administrators; U.S. Environmental Protection Agency billion per year. These needs include the replacement and expansion of distribution systems, and the replacement and expansion of treatment facilities, primarily needed in small systems. These figures are almost evenly divided between deferred maintenance and replacement needs, and new growth needs.

While aged pipes are not inherently a problem, many need in-place cleaning and lining. Old pipes frequently leak, not only losing fresh water but creating water pressure problems. In 1977, the City of Boston could only account for 50 percent of its water after distribution. The city adapted a metering program, and is now spending $64 million to replace or line all mains more than 100 years of age, or approximately 15 percent of its 1000 mile system.

New York City alone is looking at a $7.5 billion upgrade to its water supply system. In suburban Los Angeles, the Metropolitan Water District, which supervises 27 different Southern California Water Agencies, plans to spend $3 billion for new water facilities over the next 20 years.

A survey conducted by the American Water Works Association projects that currently the industry is spending $4 billion annually, broken down as follows:

- 19% for preventing water source degradation
- 6 % for pumping facilities
- 20 % for treatment facilities
- 43 % for distribution systems (restoration)
- 6 % for storage restoration
- 6 % for general property

The average annual requirement for capital spending has been estimated by the American Water Works Association to be somewhere between $5 and $10 billion. EPA has placed national costs at roughly $56 billion for capital construction over 10 years.

Much of this estimated annual requirement will fall on the thousands of small utilities which need new treatment facilities to ensure that their consumers obtain the same quality drinking water as the rest of the nation. Obtaining capital investment funds is difficult for many of these small systems; many small utilities will need special assistance to achieve safe drinking water standards. At the state level, the Commonwealth of Pennsylvania's Water Facilities Restoration Act is one independent water loan program that addresses this problem.

The provision of adequate water supply is vital not only to individuals, but to industry as well. According to Census data, total estimated water use for manufacturing totalled 10.42 trillion gallons in 1983. More than 80 percent of usage was accounted for by four major industries: chemical and applied products, primary metals, paper and allied products, and petroleum and coal products.

SOLID WASTE DISPOSAL

The nightly news told the story—a barge filled to overflowing with 90 tons of garbage from the northeastern U.S. travelled for several months in the Caribbean and Gulf of Mexico as its operators searched for a place to dispose of the cargo. Suddenly a less obvious aspect of the nation's infrastructure crisis moved toward center stage.

Estimates are that 450,000 tons of waste are being generated every day, 95 percent of which are being disposed of in landfills that are rapidly reaching the end of their disposal capacity. The annual U.S. generation of 158 million tons of municipal solid waste would fill a convoy of 10-ton garbage trucks, 145,000 miles long, over half way from here to the moon. The problem is still growing—EPA estimates that with our current garbage practices, the annual solid waste total could reach 193 million tons by the year 2000.

Each man, woman, and child contributes an average of 1,300 pounds a year to the growing mountain of garbage. In 1960, Americans generated waste at a rate of 2.65 pounds per person per day; by 1986, that figure had jumped to 3.58 pounds. More than 40 percent of this solid waste stream consists of the paper and paper products discarded in homes, offices and factories.

A recent EPA study reveals that roughly eighty percent of the municipal solid waste discarded each year in the U.S. is disposed of in the approximately 6,000 solid waste landfills currently in operation in this country. One-third to one-half of these facilities are expected to exhaust their disposal capacity and close by the year 1993.

Many existing facilities are closing as well because their design and operation do not meet Federal or State standards for the protection of human health and the environment. New facilities must be built to replace this diminishing capacity, but they must be environmentally sound, preserve valuable resources, and not present undue risk to human health.

HAZARDOUS WASTE

Another component of the solid waste problem became a focus of attention in the early 1970s—the potentially hazardous wastes generated by industrial production. Every year about 3,000 facilities manage 275 million metric tons of hazardous waste as defined by the Resource Conservation and Recovery Act of 1976 (RCRA). Under this definition, wastes are hazardous if they pose a fire hazard, dissolve materials or are acidic, explosive, or otherwise pose danger to human health or the environment. Most of this hazardous waste results from production of widely used goods such as polyester and other synthetic fabrics, kitchen appliances and plastic containers.

Wastes that are not given proper disposal can pose dangers to human health ranging from headaches to cancer. Hazardous wastes also can seriously damage the environment, for example, by seeping into surface waters and killing fish and other aquatic life. The vast majority of hazardous waste managed annually is treated in man-made surface ponds and wastewater treatment plants. A relatively small amount—about 2 million metric tons annually—is incinerated. A number of different treatment technologies are used on hazardous wastes to render them less toxic before final disposal.

A more serious problem is the cleanup of uncontrolled disposal sites containing hazardous wastes and other contaminants. These sites can contaminate groundwater, cause explosions, and present other dangers to people and the nearby environment. Most of these abandoned or inactive waste sites, where hazardous materials have escaped, are linked to the chemical and petroleum industries. Many are municipal landfills that have become hazardous as a result of accumulated pesticides, cleaning solvents and other chemical products discarded in household trash. A few are the result of transportation spills or other accidents. Radioactive materials are hazards at about twenty sites.

Approximately 30,000 potentially contaminated sites may pose a threat to human health or the environment. The Superfund process begins with site discovery; the sites currently identified range from a closed-down hazardous waste incinerator in Maine to a leaking underground pipe in Florida. After site discovery, the EPA conducts a preliminary assessment to determine whether further investigation is necessary. If so, a Site Inspection is conducted to assess the potential danger and the site is evaluated using a Hazard Ranking System. Sites with scores of 28.5 or higher are placed on the National Priorities List for attention under Superfund.

Since the Superfund program was established in 1980, almost 9,000 sites have been determined to require no further action, and over 8,000 site inspections have been conducted. The number of Superfund sites on the National Priorities List now totals 1,224. On these sites, further studies are conducted to determine the nature and extent of the contamination. Cleanup remedies include incinerating contaminated soils to permanently destroy contaminants, depositing contaminated materials in a landfill that is designed to prevent any movement of the contaminants from the fill, and pumping and treating contaminated ground water to clean up an aquifer. To date, over 140 long-term cleanups have been initiated at Superfund sites across the nation.

PUBLIC BUILDINGS

Many of the buildings that make up the vertical infrastructure of our communities are inadequate, either due to their deteriorated condition or because the community's needs have outgrown their capacity. America's schools are just one of the sad examples of the neglect of our built environment.

The National Governors' Association's recently issued 1991 Report on Education cites the fact that the nation's educational infrastructure is old, with many run-down, dilapidated school buildings. A 1988 report by the Education Writers Association found that approximately 25 percent of the nation's school buildings are inadequate, with another 33 percent of the school buildings only adequate. Included in the 25 percent are buildings that have severe environmental problems, primarily asbestos and lead pipes.

The Education Writers Association survey found that facility construction, renovation, and maintenance are not keeping pace with needs, and a backlog of demand is reaching overwhelming proportions. The cost of these needs is estimated to be $84 billion for new and retrofitted construction and $41 billion for school maintenance and repairs.

QUALITY OF LIFE: AN EFFICIENT TRANSPORTATION NETWORK

The U.S. transportation network is the largest, most complex in the world. A smoothly functioning, efficient transportation system is a prerequisite for economic growth and is certainly crucial to our everyday lives. Although far too often taken for granted, just one snowstorm, one bridge collapse, one transit strike, or one airport closing is all it takes to illustrate just how dependent we are on the precision performance of every link in our transportation network.

Almost one of every five dollars spent on goods and services in the U.S. economy is spent on transportation products and services. The U.S. transportation system handles 3.5 trillion passenger-miles (one passenger traveling one mile) and 3.4 trillion ton-miles of freight each year.

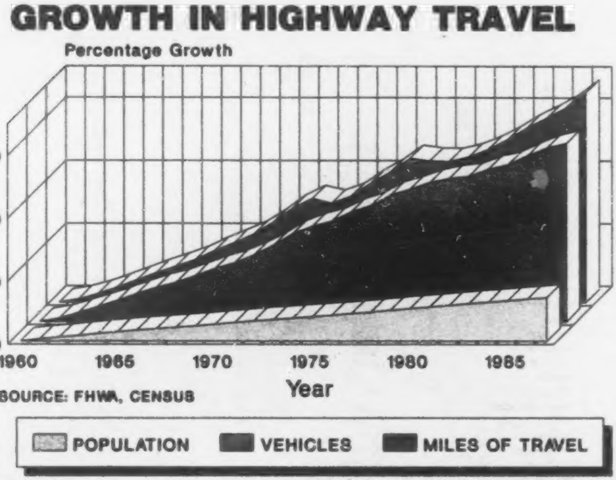
Transportation is a key factor in the competitiveness of U.S. industries relative to foreign manufacturers. For every dollar of export goods, about 25 cents is spent on the transportation of raw materials and intermediate goods in the process of being assembled into final products. With the rise in importance of the "just-in-time" method of inventory control, where costs are kept down by having intermediate goods and raw materials arrive at a manufacturer just as they are needed, the smooth functioning of the transportation network is crucial to the cost competitiveness of manufacturing industries.

America's transportation infrastructure is not only deteriorating from aging facilities, but underinvestment in new facilities is overburdening current transportation networks. A look at each of the major components of our transportation system reveals the unraveling fabric of these vital infrastructure systems.

HAZARDOUS WASTE

State	HAZARDOUS WASTE GENERATED IN 1986 (Billions of Metric Tons)	Rank	SUPERFUND SITES Final	SUPERFUND SITES Proposed	Rank
Alaska	45.9	50	1	4	44
Alabama	6,515.0	12	10	2	30
Arizona	3,810.3	20	5	6	31
Arkansas	1,013.3	35	10	0	35
California	16,151.8	4	52	48	2
Colorado	1,495.0	33	13	4	22
Connecticut	4,043.2	19	8	6	25
Delaware	883.8	38	12	8	20
Florida	2,839.0	26	32	19	6
Georgia	3,243.6	23	7	7	24
Hawaii	173.6	48	0	7	41
Idaho	1,292.4	34	4	9	27
Illinois	15,342.7	5	23	16	9
Indiana	9,609.0	10	30	7	11
Iowa	1,849.9	31	9	16	14
Kansas	2,470.3	28	9	3	29
Kentucky	4,592.7	16	12	5	21
Louisiana	13,747.5	6	9	2	32
Maine	310.9	45	6	3	39
Maryland	2,981.0	25	7	3	38
Massachusetts	4,287.2	18	21	4	15
Michigan	11,809.4	9	65	16	4
Minnesota	1,933.4	30	40	1	8
Mississippi	2,778.7	27	2	1	47
Missouri	5,703.3	14	14	9	16
Montana	634.8	39	8	2	36
Nebraska	427.8	42	3	2	45
Nevada	361.0	44	0	0	50
New Hamsphire	417.9	43	15	1	23
New Jersey	13,269.6	7	100	9	1
New Mexico	565.5	40	6	4	37
New York	9,183.5	11	73	7	5
North Carolina	3,370.7	22	15	7	17
North Dakota	238.2	46	2	0	48
Ohio	18,715.2	2	29	5	12
Oklahoma	2,367.6	29	8	3	33
Oregon	892.7	37	6	1	42
Pennsylvania	17,437.7	3	71	28	3
Rhode Island	1,522.8	32	8	3	34
South Carolina	3,643.8	21	14	8	18
South Dakota	152.0	49	1	0	49
Tennessee	12,982.2	8	10	4	26
Texas	33,792.6	1	24	5	13
Utah	985.4	36	5	7	28
Vermont	217.0	47	4	4	40
Virginia	4,340.8	17	12	9	19
Washington	6,006.6	13	25	20	7
West Virginia	5,655.3	15	5	1	43
Wisconsin	3,108.9	24	35	4	10
Wyoming	494.1	41	1	3	46
U.S. Total	259,854.1	—	890	339	—

SOURCES: The Nation's Public Works: Report on Hazardous Waste Management, by Apogee Research, Inc for the National Council on Public Works Improvement; U.S. Environmental Protection Agency, National Priorities List, July, 1989.



SOURCE: FHWA, CENSUS

HIGHWAYS

In 1989, Americans will travel more than 2 trillion vehicle miles by auto, truck, bus, and public transit systems, more than triple the mileage traveled in 1956, From 1980 through 1988, traffic growth has increased at an average rate of 5 percent annually. Using conservative estimates of only 2–3 percent annual growth, by the year 2005 highway travel is expected to top 3 trillion vehicle miles, and by the year 2020—only thirty years into the future—total travel in the U.S. is expected to be double what it is today.

America's population will increase by 44 million over the next 30 years. Nearly 90 percent of America's population growth in the 1980s has occurred in metropolitan areas. Three-quarters of the 250 million trips made each day are in metropolitan areas, and over 80 percent of these trips are made in private motor vehicles.

As a result of substantial growth in travel, America's major highway systems in both rural and urban areas have experienced increasing congestion. Urban interstate travel increased 13.4 percent from 1985 to 1987, with other urban freeway and expressway traffic increasing 12.9 percent during the same two-year period. The percent of peak hour travel on urban interstates that occurs under congested conditions has increased from 54 percent in 1983 to 61 percent in 1985 and to 65 percent in 1987.

Travel delays in the nation's largest urbanized areas now cause nearly 2 billion hours of time to be lost annually. A Department of Transportation study has estimated that by the early 21st century, delays are likely to be several times greater than they are today.

A 1983 Federal Highway Administration Study indicated that 11 percent of all labor force work hours are spent on the highways. Obviously, a 10 percent—or greater—reduction in their travel times could have a marked effect of national productivity. The reverse is also true; increases in travel time are having a negative impact on the productivity of the nation's industries.

FHWA statistics show that over 11 percent of principal highway miles are deficient, and are therefore in need of resurfacing or reconstruction. By 1990, 35 percent of the interstate system will have outlived its design life. Most of the highway system was not designed to carry current loads, and a single, modern 80,000 pound truck can inflict as much wear and tear on an interstate highway as 9,600 cars.

Operating costs are closely correlated with pavement condition. Truck costs shoot up by 6.3 cents per mile when road conditions drop from "good" to "fair". Continuing current levels of highway funding will result in further deterioration of the highway system, resulting in an estimated $1,000 increase in vehicle operating costs per household. The relationship fortunately works the other way as well. Every $1 invested in highways reduces direct operating costs by $3 to $4.

HIGHWAY TRAVEL
(MILLIONS OF VEHICLE MILES TRAVELED)

State	1985	1987	PERCENT CHANGE (85-87)
Alaska	35,091	37,426	6.7
Alabama	3,840	3,900	1.6
Arizona	21,580	31,729	47.0
Arkansas	17,112	18,306	7.0
California	207,600	226,301	9.0
Colorado	26,146	26,968	3.1
Connecticut	22,152	26,775	20.9
District of Columbia	5,365	6,086	13.4
Delaware	3,223	3,368	4.5
Florida	88,056	93,639	6.3
Georgia	53,713	60,293	12.3
Hawaii	6,762	7,218	6.7
Idaho	7,710	8,119	5.3
Illinois	70,844	75,756	6.9
Indiana	40,782	44,122	8.2
Iowa	20,191	20,808	3.1
Kansas	19,275	20,561	6.7
Kentucky	26,520	30,320	6.3
Louisiana	33,365	30,599	-8.3
Maine	9,277	10,766	16.1
Maryland	33,337	36,493	9.5
Massachusetts	39,696	42,305	6.6
Michigan	67,402	75,706	12.3
Minnesota	32,688	35,167	7.6
Mississippi	19,130	20,173	5.5
Missouri	39,284	43,379	10.4
Montana	7,572	8,074	6.6
Nebraska	12,054	13,091	8.6
Nevada	7,566	8,396	11.0
New Hampshire	7,538	9,167	21.6
New Jersey	53,106	57,071	7.5
New Mexico	13,269	15,116	13.9
New York	90,518	98,002	8.3
North Carolina	49,923	54,600	9.4
North Dakota	5,387	5,681	5.5
Ohio	75,549	79,157	4.8
Oklahoma	31,181	31,606	1.4
Oregon	21,458	23,332	8.7
Pennsylvania	75,428	78,626	4.2
Rhode Island	5,823	6,003	3.1
South Carolina	26,677	30,224	13.3
South Dakota	6,277	6,209	-1.1
Tennessee	36,256	42,126	16.2
Texas	143,263	151,186	5.5
Utah	12,037	12,679	5.3
Vermont	4,688	5,039	7.5
Virginia	47,928	54,834	14.4
Washington	34,375	38,520	12.1
West Virginia	12,664	13,742	8.5
Wisconsin	36,679	40,196	9.6
Wyoming	5,401	5,367	-0.6
U.S. TOTAL	1,774,762	1,924,327	8.4

SOURCE: Federal Highway Administration

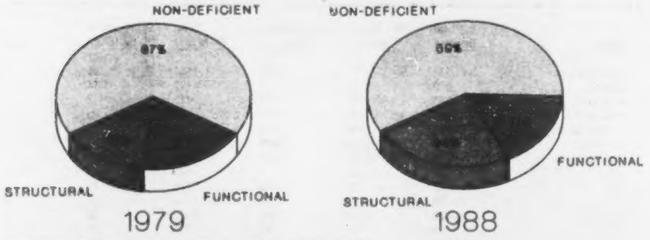
THE NATION'S DETERIORATING HIGHWAYS

State	*Principal Highway Miles	Deficient Miles	Percent Deficient	Rank
Alabama	29507	5850	20	9
Alaska	5156	1274	25	5
Arizona	15141	1418	9	25
Arkansas	27333	3970	15	12
California	57631	5337	9	25
Colorado	27521	1499	5	40
Connecticut	6686	460	7	32
Delaware	1586	168	11	21
D.C.	435	46	11	21
Florida	26612	2621	10	23
Georgia	36619	4247	12	19
Hawaii	1484	191	13	16
Idaho	12987	2216	17	10
Illinois	36376	1608	4	42
Indiana	30897	4786	15	12
Iowa	42006	1196	3	46
Kansas	43126	3431	8	29
Kentucky	23106	3232	14	14
Louisiana	18300	2340	13	16
Maine	8847	549	6	37
Maryland	9026	380	4	42
Massachusetts	12790	1005	8	29
Michigan	41236	2568	6	37
Minnesota	42152	422	1	51
Mississippi	23053	7984	35	2
Missouri	35415	6071	17	10
Montana	23175	2054	9	25
Nebraska	29417	1189	4	42
Nevada	8096	560	7	32
New Hampshire	4592	1071	23	6
New Jersey	10892	1316	12	19
New Mexico	11841	986	8	29
New York	36229	1010	3	46
North Carolina	29921	2226	7	32
North Dakota	25202	726	3	46
Ohio	34698	3245	9	25
Oklahoma	34547	8479	25	4
Oregon	25049	3441	14	14
Pennsylvania	34878	7324	21	8
Rhode Island	1754	461	26	3
South Carolina	21044	1158	6	37
South Dakota	25253	1823	7	32
Tennessee	26516	9672	36	1
Texas	90760	6670	7	32
Utah	11916	320	3	46
Vermont	4685	254	5	40
Virginia	22833	2397	10	23
Washington	23627	1031	4	42
West Virginia	12248	2659	22	7
Wisconsin	33278	4196	13	16
Wyoming	14680	437	3	46
U.S. Total	1,212,230	129,546	11	—

*These figures represent approximately 30 percent of the Nation's total highway mileage which carries 87% of all travel.

SOURCE: Fed. Hwy Administration, U.S. Dept. of Transportation

U.S. DEFICIENT BRIDGES



SOURCE: FEDERAL HIGHWAY ADMINISTRATION

Recently the American Association of State Highway and Transportation Officials conducted a comprehensive study of the future capital needs of the nation's surface transportation systems. In their final report entitled *The Bottom Line: A Summary of Surface Transportation Investment Requirements 1988–2020*, AASHTO estimated annual capital investment requirements of $58.5 billion to meet future highway transportation needs. This compares with current annual expenditures by all levels of government of $31.0 billion.

Currently federal, state and local governments spend 3.2 cents per vehicle mile to fund the capital, maintenance and operation expenses for the nation's highway system. Compared with the cost of owning and operating an intermediate sized vehicle, which is currently estimated at 33.4 cents per mile, expenditures on highway infrastructure represent less than 10 percent of vehicle costs. An additional 1.1 cent per mile investment would be enough to fund the current capital investment shortfall, both improving pavement conditions and financing new highways to meet growing population needs.

BRIDGES

Inadequate bridges are one of the nation's most pressing infrastructure problems. Over 41 percent of the 577,710 bridges in the 1988 National Bridge Inventory are either structurally deficient or functionally obsolete. A structurally deficient bridge is one that must be replaced. A functionally obsolete or deficient bridge is one that cannot handle modern traffic loads safely, and either widening or replacement is required.

As of June, 1988, 238,357 bridges were deficient for either structural or functional reasons, a slight 2 percent improvement from the 243,646 bridges rated inadequate in 1986. The tremendous backlog of bridges needing replacement and rehabilitation, along with estimated needs to meet growth, will require an investment of $93 billion between now and the year 2005 as estimated by the Federal Highway Administration.

The number of structurally deficient bridges increased to 135,826 in June of 1988 from 131,582 in 1986. The number of functionally obsolete bridges decreased from 112,064 in 1986 to 102,531 in 1988; part of the decline was the further deterioration of functionally obsolete bridges due to aging and heavy traffic, causing them to be moved to the structurally deficient category.

Bridge conditions on the most heavily-trafficked highways have generally deteriorated. The proportion of Interstate bridges classified as deficient rose from 10.6 percent in 1982 to 13.1 percent in 1984, to 14.3 percent in 1986, and to 15.9 percent in 1988.

Of the total $93 billion in bridge needs, $67.6 billion is needed to eliminate backlog and existing deficiencies; the remaining $25.3 billion is necessary for accruing needs to the year 2005. The federal government should be expending a minimum of $3.5 billion annually through 2005 simply to rebuild and replace deteriorated bridges; to meet ongoing needs and support the growth in population, a minimum of $4.9 billion should be spent each year.

At the present time, and for a number of years, the federal government has been spending less than one-third of the minimum $3.5 billion needed to preserve and provide safe bridges. According to Secretary of Transportation Samuel Skinner, the required repair and replacement of highway bridges in this country will cost two-thirds as much as the original construction of the interstate system.

AIR TRANSPORTATION

The air transportation system is an increasingly important segment of the infrastructure, now accounting for 17.2 percent of all intercity passenger miles traveled. In 1988, U.S. scheduled airlines carried 454.5 million passengers over 423 billion passenger miles on

THE NATION'S DEFICIENT BRIDGES

State	Total Bridges	Structurally Deficient	Functionally Obsolete	Total Deficient	Percent Deficient	Rank
Alabama	15,534	3949	3602	7551	49	13
Alaska	800	84	27	111	14	49
Arizona	5823	160	252	412	7	51
Arkansas	13017	1596	4225	5821	45	17
California	22261	1666	4055	5721	26	37
Colorado	7428	2206	460	2666	36	27
Connecticut	3749	2394	1368	2401	64	2
D.C.	237	48	1	49	21	39
Delaware	736	79	96	175	24	43
Florida	10186	610	1605	2215	22	41
Georgia	14226	3520	2518	6038	42	21
Hawaii	1043	115	161	276	26	37
Idaho	3745	560	514	1074	29	33
Illinois	25429	5313	2042	7355	29	33
Indiana	17517	3807	3839	7646	44	19
Iowa	25665	6040	6336	12376	48	15
Kansas	25648	5386	7347	12733	50	12
Kentucky	12591	2207	5252	7459	59	5
Louisiana	14139	3959	2443	6402	45	17
Maine	2583	436	331	767	30	32
Maryland	4574	703	1169	1872	41	23
Massachusetts	4964	1714	209	1923	39	26
Michigan	10561	2628	683	3311	31	31
Minnesota	12994	1911	1787	3698	28	35
Mississippi	16994	6421	2563	8984	53	10
Missouri	23682	12347	2718	15065	64	2
Montana	4632	495	2240	2735	50	5
Nebraska	15843	7636	1158	8794	56	8
Nevada	1073	50	109	159	15	48
New Hampshire	2572	522	603	1125	44	19
New Jersey	5997	1352	752	2104	35	28
New Mexico	3439	410	334	744	22	41
New York	17326	10409	1403	11812	68	1
North Carolina	16115	1107	7382	8489	53	10
North Dakota	5283	1959	582	3041	58	7
Ohio	29180	4494	1504	5998	21	43
Oklahoma	22981	8229	4677	12906	56	6
Oregon	6606	577	558	1135	17	47
Pennsylvania	22457	5990	2917	8907	40	24
Rhode Island	702	98	38	136	19	46
South Carolina	8886	939	836	1775	20	45
South Dakota	6822	1660	1530	3190	47	18
Tennessee	18547	4366	3023	7389	40	24
Texas	44314	6572	8581	15153	34	29
Utah	2543	262	96	358	14	48
Vermont	2665	503	808	1311	49	13
Virginia	12652	3933	1610	4284	34	29
Washington	6898	920	941	1861	27	36
West Virginia	6513	2795	1196	3991	61	4
Wisconsin	12963	3978	1455	5433	42	21
Wyoming	2826	320	356	676	24	39
U.S. TOTAL	577,710	135,826	102,531	238,357	41	—

SOURCE: Federal Highway Administration, U.S. Department of Transportation

6.7 million flights. Although 66 percent of all Americans over the age of 18 have flown on a commercial airline, the majority of these miles are flown by business travelers, and the air transportation network is crucial to both management of industry and service enterprises. Revenue passenger miles flown have increased on average by 8.9 percent annually over the past ten years, severely straining the capacity of the nation's air transport system.

The Federal Aviation Administration is forecasting a 5.0 percent annual growth rate in the number of revenue passenger miles flown by major air carriers from 1988 through the year 2000. Commuter and regional airlines are expected to grow even faster, increasing their revenue passenger miles flown at an annual rate of 8.7 percent through the turn of the century.

As air travel continues to grow at this rapid pace, the Federal Aviation Administration estimates that the number of "seriously congested" airports will increase to 58 by the year 2000, having an impact on 76 percent of all passengers. This is a substantial increase from the current congested conditions. In 1988, the FAA calculated that 16 commercial service airports met the "very congested" criteria, having an impact on the 41 percent of all air passengers whose routes took them through these 16 airports.

In September, 1989 the Federal Aviation Administration awarded a $60 million grant to Denver, Colorado, taking a large step forward in the process of constructing the first new major airport in 15 years. The airport, which has been under review for two years, will be built on a 53-square mile site 18 miles northeast of Denver. The new Denver airport is expected to begin operation in 1993 with five runways, and plans are in the works to expand the airport to 12 runways by the year 2020.

The new Denver airport should handle 817,000 take-offs and landings and board 33.2 million passengers by the year 2000. The current airport, Stapleton International, frequently only operates with one runway during inclement weather, causing backups throughout the nation's air traffic system.

Secretary of Transportation Samuel Skinner has commented, "It's a national embarrassment that we've had no new airport in the U.S. since 1974," estimating a need for a 55 percent increase in airport capacity by the turn of the century.

Airport capacity expansion needs have been computed by the Federal Aviation Administration as part of the National Plan of Integrated Airport Systems (NPIAS). Although some construction has occurred since the NPIAS plan was published, the vast majority of these aviation needs remain backlogged. The assessed needs break down as follows:

Increase Capacity and Expand System—
$17.4 billion
Update and Improve System—$4.3 billion
System Maintenance—$2.6 billion

AIRPORTS: CONGESTION CAUSES DELAYS

Airport	Increase In Time Spent On Runway Over Last 10 Years
Dallas/Ft. Worth	+ 104.4%
Washington Dulles	+ 97.9%
San Francisco	+ 95.6%
Minneapolis/St. Paul	+ 87.1%
Raleigh/Durham	+ 86.8%
Phoenix	+ 82.1%
Cincinnati	+ 80.0%
Los Angeles	+ 58.1%
Seattle	+ 52.9%
Baltimore	+ 52.5%

Source: Federal Aviation Administration

PORTS AND WATERWAYS

U.S. ports and waterways are integral to the transportation of the goods produced and used by America's agricultural sector, industries, and consumers. In 1988, international shipments rose 16 percent. The value of exports increased by 50 percent over the three-year period from 1985 to 1988; the value of imports rose 28 percent.

The U.S. has 186 deep draft U.S. ports located along the Atlantic, Gulf, Pacific, and Great Lakes coasts. In addition, deep-draft navigation on the Great Lakes–St. Lawrence Seaway System requires a series of 16 locks, with 23 separate chambers, and connecting channels. Taken together, the U.S. inland waterway navigation system carries about one-third of total U.S. waterborne tonnage (foreign and domestic).

Expansion and modernization of the nation's ports and waterways will require investment in a number of projects. On the inland waterway system, a number of locks and chambers are so old that they require major rehabilitation or replacement. For seaports, modernization is necessary to achieve transportation cost savings for a number of ports with depths of less than 50–55 feet. The Water Resources Development Act of 1986 and 1988 authorized over 38 projects which should be constructed to deepen and/or widen channels in these ports, at a total cost of over $2.7 billion.

Over the last 15 years there has been an increase in the size of vessels involved in waterborne commerce. In 1980, about 35 percent of vessels exceeded 10,000 dead weight tons (dwt). As of 1987, over 60 percent of the active tonnage in the world tanker fleet exceeded 10,000 dwt. These vessels need channels that are deeper than 50 feet. However, there are no harbors on the U.S. Atlantic and Gulf coasts which have depths capable of handling a fully loaded vessel of that size; no harbor currently exists with a depth greater than 45 feet. Only the Pacific Coast harbors of Los Angeles/Long Beach and some of the ports at Puget Sound have depths of 55 to 60 feet.

AIRPORT CAPACITY EXPANSION NEEDS (In Millions)

State	1986-1990	1991-1995
Alaska	$455.9	$126.6
Alabama	114.6	74.0
Arizona	168.3	131.5
Arkansas	65.2	34.8
California	1,086.8	534.8
Colorado	451.6	3,376.9
Connecticut	27.5	30.7
D.C.	156.2	370.3
Delaware	10.0	3.0
Florida	959.9	395.2
Georgia	450.6	315.8
Hawaii	106.2	71.2
Idaho	28.1	46.7
Illinois	885.1	300.6
Indiana	269.9	161.5
Iowa	166.9	39.3
Kansas	202.9	72.9
Kentucky	76.3	92.7
Louisiana	176.2	232.0
Maine	34.4	23.6
Maryland	49.3	20.8
Massachusetts	90.5	59.1
Michigan	629.5	371.8
Minnesota	319.9	96.7
Mississippi	63.9	36.5
Missouri	306.9	231.2
Montana	57.0	34.1
Nebraska	130.7	46.0
Nevada	136.3	142.3
New Hampshire	13.8	14.2
New Jersey	192.3	136.8
New Mexico	121.1	48.8
New York	2,078.2	522.1
North Carolina	211.5	83.7
North Dakota	51.2	60.6
Ohio	405.9	202.3
Oklahoma	115.2	73.0
Oregon	91.5	71.1
Pennsylvania	411.9	433.4
Rhode Island	23.8	12.9
South Carolina	83.2	66.4
South Dakota	71.1	18.6
Tennessee	196.7	107.0
Texas	1151.8	814.6
Utah	119.8	93.4
Vermont	13.5	16.0
Virginia	89.6	33.7
Washington	150.1	141.8
West Virginia	42.4	5.8
Wisconsin	216.3	56.0
Wyoming	77.2	26.8
U.S. TOTAL	$13,605.7	$10,515.8

Source: Federal Aviation Administration, National Plan of Integrated Airport Systems

The driving force behind the need to service large vessels is the cost savings achieved by use of larger vessels. A transportation cost savings of $3 to $5 per ton for trips from the U.S. Atlantic coast to Europe can be achieved, with much greater savings for trips to the Far East. The Office of Technology Assessment has estimated that 10 percent can be cut from the cost of export coal as received by Europe and the Pacific Rim countries if U.S. ports could handle super-colliers. A Congressional Budget Office report has noted that it would appear cost-effective to dredge one or two ports to 55 feet.

CONCLUSION

America's infrastructure investment must be protected and expanded—not just because it's necessary for our health and safety—not just because it's for the prosperity of the economy—not just because it's vital to our world competitiveness—not just because it's essential to our continued growth as a nation. It's critical to the quality of our lives and to our continued faith in our government and ourselves as a great nation.

Innovative and equitable infrastructure initiatives are required. The task will require a strong partnership among the federal government, states, cities, counties, other governmental units, and the private sector. All must maintain their fiscal support for infrastructure programs, and seek new ways to make progress on many fronts, including capital planning, creative funding strategies, improved management, and technological innovation. Although the nation must address the federal budget's imbalance, the country cannot afford to ignore the crucial role that public works play in a vital economy. The long-range impact on the nation of not going forward today with vital infrastructure projects is short-sighted. Infrastructure must be a top national priority, and to resolve the crisis in the nation's public works:

- Investment in infrastructure must be increased.
- All levels of government must take steps to encourage innovative technology, financing, and public/private partnerships.

Legislative goals to meet those objectives:

- There should be no further funding reductions in existing federal programs that address infrastructure needs.
- The existing federal infrastructure trust funds must be continued, adequately funded, and fully expended for their intended purposes.
- Federal restrictions on the use of tax-exempt financing for infrastructure purposes should be eliminated.
- A federal capital infrastructure program should be created to provide assistance to states and localities in meeting infrastructure needs.
- A federal long-term multi-year capital budget should be established.

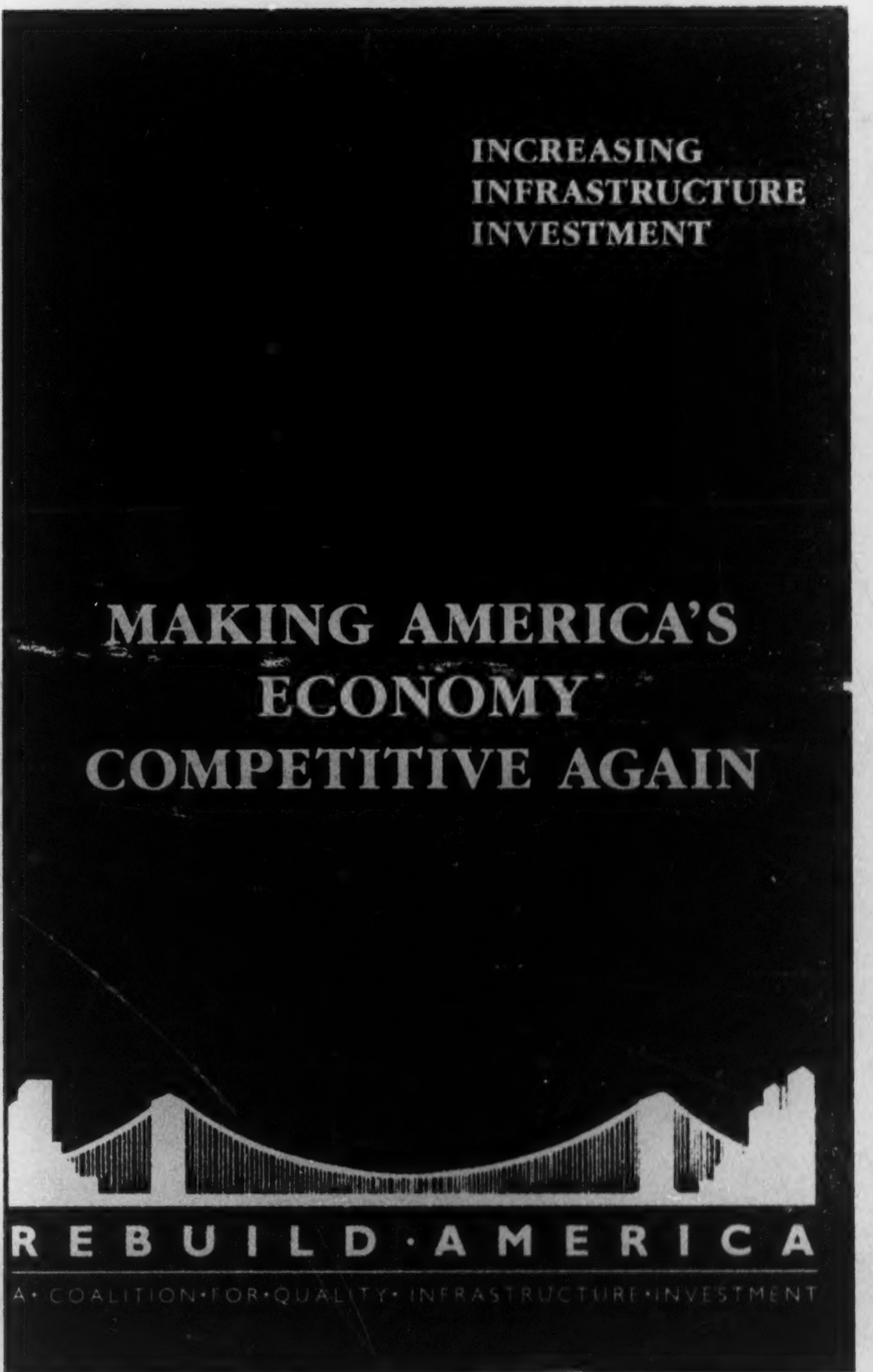
Rebuild America is a broad coalition of public and private organizations committed to the infrastructure challenge. Its Chairman is Mayor Terry Goddard, President of the National League of Cities and Mayor of Phoenix, Arizona. It includes the mayors, city councilmen and other public leaders whose job it is to maintain, inspect, and plan for the building and rebuilding of our public facilities. They are supported by the engineers, builders, financiers, contractors, and architects whose careers are dedicated to the highest standards of quality, safety, and cost effectiveness.

STEERING COMMITTEE:

American Consulting Engineers Council
American Institute of Architects
American Public Works Association
American Society of Civil Engineers
Associated General Contractors of America
Council of State Governments
National Association of Counties
National Association of Home Builders
National League of Cities
Public Securities Association
U.S. Conference of Mayors

MEMBERS:

The Airport Consultants Council
American Association of Port Authorities
American Concrete Institute
American Concrete Pavement Association
American Concrete Pipe Association
American Congress of Surveying and Mapping
American Institute of Steel Construction
American Planning Association
American Public Power Association
American Society of Landscape Architects
American Society of Mechanical Engineers
American Subcontractors Association
American Water Works Association
Associated Builders and Contractors
Association of Local Housing Finance Agencies
Better Roads and Transportation Council
Council of State Community Affairs Agencies
Edison Electric Institute
Highway Users Federation for Safety and Mobility
International Bridge, Tunnel & Turnpike Association
Mechanical Contractors Association of America, Inc.
National Aggregates Association
National Asphalt Pavement Association
National Association of Housing and Redevelopment Officials
National Association of Regional Councils
National Association of Surety Bond Producers
National Electrical Contractors Association
National Erectors Association
National Ready Mixed Concrete Association
National Roofing Contractors Association
National Society of Professional Engineers
National Stone Association
National Utility Contractors Association
National Waterways Conference
Portland Cement Association
The Privatization Council
Sheet Metal and Air Conditioning Contractors' National Association
The Surety Association of America
Water Pollution Control Federation



INCREASING
INFRASTRUCTURE
INVESTMENT

MAKING AMERICA'S ECONOMY COMPETITIVE AGAIN

REBUILD · AMERICA

A · COALITION · FOR · QUALITY · INFRASTRUCTURE · INVESTMENT

REBUILD·AMERICA

A· COALITION·FOR·QUALITY· INFRASTRUCTURE·INVESTMENT

This report is the first in a series of reports that addresses various elements of America's infrastructure problems and solutions to these problems.

The Rebuild America Coalition is composed of private and public sector organizations who have recognized the need to protect the nation's investment in its entire range of public facilities...America's infrastructure.

Participation in the Rebuild America Coalition does not oblige any of the individual member organizations to support or endorse the infrastructure policies of the other coalition members.

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INCREASING INFRASTRUCTURE INVESTMENT:
MAKING AMERICA'S ECONOMY COMPETITIVE AGAIN

EXECUTIVE SUMMARY

The facts are shocking: many U.S. industries have lost the competitive advantage which made this nation the world's economic leader. The U.S. trade deficit hit record levels in the third quarter of 1987, setting a new high in a lengthening string of trade deficits, and each year the interest payment that Americans must send overseas to finance the deficits rises.

What can be done about the trade deficit? First and foremost, the U.S. manufacturing sector must rebuild its share of world trade. Many possible remedies have been proposed: management techniques, flexible manufacturing, education, research and development. Much attention has been given to the role that modernizing factories plays in spurring economic growth. More attention needs to be given to the role infrastructure plays in enhancing the quality of everyday life, by providing the support network for our neighborhoods and communities. Greater attention needs to be given to the vital role that *public facilities — our nation's infrastructure of highways, ports, airports, public buildings, water supply and wastewater treatment facilities — play in the nation's economic competitiveness.*

The necessity of providing adequate public works to ensure a solid foundation for economic development is not a new or untested theory. The Greek scholar Xenophon stressed the importance of public works in 400 B.C. in a work titled *On the Means of Improving the Revenues of the State of Athens.* In 1776 Adam Smith, in *The Wealth of Nations,* wrote that the provision of necessary public works is one of the three critical functions of government.

American history has attested to the successes of public works in fostering economic growth. From the Erie and Panama Canals to the first urban water and sewer systems to the Interstate highway program, public works undertakings have launched economic development and growth. But an examination of recent history shows a dramatic reversal.

Although *net* investment in public works by federal, state and local governments — the share of output devoted to adding to the nation's public capital stock *after* accounting for physical depreciation — averaged 2.3 percent of gross national product in the late 1960's, it dropped to a mere *0.4 percent of GNP in 1980-1984.* This decline is having a tremendous, but largely unseen, impact on the nation's economy:

- Urban traffic congestion has increased by 50 percent over the last 10 years. If a worker is delayed 20 minutes each day by rush hour traffic congestion, by the end of his or her career, two working years will have been wasted.
- In 1984, 1.4 billion gallons of gasoline was wasted due to congestion; by 2005, waste could soar to 7.3 billion gallons.
- In 1986, schedule delays on the nation's airlines exceeded 2,000 hours per day — the equivalent of grounding 200 aircraft daily.
- Half of all commuities in the country cannot expand because their wastewater treatment plants are operating at or near capacity.
- Leaky pipes cause some major cities to lose as much as 30 percent of their fresh water supply each day.
- Transportation costs represent about 15-30 percent of the landed price of agricultural exports. Clearly, the inadequacy of many rural roads and bridges is a concern for the future of America's agricultural exports.

The evidence is clear — a great deal of harm has been done to the American economy from a lack of public works investment, and this damage is continuing largely unchecked. Rapidly-growing megacounties are straining to meet infrastructure challenges, while central cities are similarly pressed without an expanding tax base. Added to this is the recent withdrawal of certain federal assistance programs, such as revenue-sharing, and restrictions on tax-exempt bond financing passed by Congress in the Tax Reform Act of 1986.

Several recent economic studies have started to quantify the economic impact of years of neglect of America's infrastructure. A study done in October, 1987 at the Federal Reserve Bank of Chicago by senior economist David Alan Aschauer indicates that infrastructure investment increases the private sector capital stock by influencing the rate of return to private investment. Aschauer concludes that if the U.S. had held infrastructure investment steady at 2.1 percent of GNP, its 1953-to-1969 average, throughout the 1970's and early 1980's, then the downward trend in the rate of return to private capital would have been eliminated, increasing the private capital stock by $39 billion over its actual 1984 level.

Studies at the Federal Reserve Bank of Philadelphia by Gerald Carlino and at the Federal Reserve Bank of Cleveland by Randall Eberts add to the evidence. By reorienting priorities for public spending to upgrade and expand the public infrastructure, the U.S. can increase the productivity of the workforce by relieving congestion which is choking off growth, and improve the nation's competitive position in an increasingly competitive international marketplace.

Other nations have attacked these problems: Germany and Japan each use a five-year plan to ensure continuous infrastructure funding. Japan is clearly going the extra mile; under an ambitious "Technopolis" plan, Japan will create nineteen high-technology industrial complexes, complete with infrastructure, by 1990.

In searching for solutions to the nation's enormous trade problems, we cannot afford to ignore the one solution — infrastructure investment -- that will enable this country to become competitive once again. As the **National Council on Public Works Improvement** recently concluded in its final report, "the quality of America's infrastructure today is barely adequate to meet current requirements and insufficient to meet the demands of future economic growth." Unless we, as a nation, heed the Council's warning, instead of increased productivity, we will only spend more and more due to inefficiency and congestion, and risk tying up our nation's economic future in one vast, unproductive, traffic jam.

The National Council on Public Works Improvement has outlined a strategy for improving America's public works. The elements of that strategy are:

- A national commitment, shared by all levels of government and the private sector, to increase capital spending by as much as 100 percent above current levels;
- Clarification of the respective roles of the federal, state, and local governments in infrastructure construction and management to focus responsibility and increase accountability;
- More flexible administration of federal and state mandates to allow cost-effective methods of compliance;
- Accelerated spending of the federal highway, transit, aviation, and waterways trust funds;
- Financing of a larger share of the cost of public works by those who benefit from services;
- Removal of unwarranted limits on the ability of state and local governments to help themselves through tax-exempt financing;
- Strong incentives for maintenance of capital assets and the use of low-capital techniques such as demand management, coordinated land-use planning, and waste reduction and recycling;
- Additional support for research and development to accelerate technological innovation and for training of public works professionals; and
- A rational capital budgeting process at all levels of government.

The National Council on Public Works Improvement acknowledges that none of these steps will be easy or unopposed. Meanwhile, unanimity exists that America's infrastructure suffers from neglect. Thus, the National Council on Public Works Improvement recommends that capital investment be raised by at least 100 percent.

INCREASING INFRASTRUCTURE INVESTMENT: MAKING AMERICA'S ECONOMY COMPETITIVE AGAIN

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INTRODUCTION

The facts are shocking: many U.S. industries have lost the competitive advantage which made this nation the world's economic leader. Consider the following:

- The U.S. trade deficit was a record $17.6 billion in the month of October, 1987, a 25 percent increase from September.[1] The November, 1987 deficit of $13.2 billion, while an improvement, remains high by historical standards.
- In January through November of 1987, the U.S. economy ran a cumulative merchandise trade deficit on manufactured goods of $159.0 billion for the eleven-month period.[2]
- As a result of years of trade deficits, U.S. debt to foreigners could exceed ***$600 billion*** by the end of 1988, even if the trade deficit begins to shrink immediately.[3] At the current pace, the net investment deficit will reach $1 trillion by the early 1990's.
- The President's Council of Economic Advisers is predicting that the economy, as measured by real gross national product, will grow at a slow 2.4 percent rate in 1988. As noted above, 1 percent of this growth will go to service debt held by foreigners, leaving only 1.4 percent for Americans.[4]
- One way to make up the difference is for Americans to consume less. In fact, the U.S. standard of living, long the envy of the world, has already been slipping as a result of the economic situation. The income of the typical household after adjusting for inflation was almost 8 percent higher in 1973 than it was in 1985.[5]

One writer has compared trying to figure out what to do about the trade deficit to the joke about asking the old farmer how to get somewhere. "Well," he replied after long thought, "if I were you, I wouldn't start out from here."[6]

But clearly, the nation must begin from here, and must solve these momentous problems. To begin to repay the foreign debt, U.S. manufacturing must revive and rebuild its share of world trade. Services are not a sufficiently large part of U.S. exports to drive the trade balance back to a surplus position.

Many possible remedies have been proposed — new management techniques, more flexible manufacturing, increased education, additional focus on applied research and development, and increased investment in new equipment all have been advocated as partial solutions to America's economic problems.

Although recognition has been given to the role that ***private*** capital investment — modernizing factories — plays in spurring economic growth and American competitiveness, insufficient attention has been given to the vital role that ***public capital investments*** — our nation's infrastructure of highways, ports, airports, water supply and wastewater treatment facilities, and other public investments — play in supporting and enhancing the nation's economic growth.

One very effective way to speed up economic growth, and help solve our trade imbalance, is to increase investment in public infrastructure. Unfortunately, such investments have actually ***decreased*** in this country in recent years.

The evidence indicates that net investment in infrastructure by federal, state, and local governments averaged 2.3 percent of gross national product in the late 1960's, but dropped to only 0.4 percent of GNP in 1980-1984. In terms of constant 1982 dollars, public infrastructure net investment was $11.5 billion in 1984, down from $27.6 billion in 1953 and $62.8 billion in 1964.[7] The net result of this disinvestment in public works is a growing backlog of capital needs in every aspect of the nation's infrastructure, as shown in the appendix.

Failing to upgrade, repair, and expand the nation's infrastructure over the past twenty years was a major policy mistake; one that must be rectified immediately if America is to reclaim our previous position of economic leadership.

A closer look at the interrelationship between infrastructure investment and economic growth will demonstrate the importance to the economy of public works, and identify the dwindling investments of the last twenty years as a prime contributing factor to our current economic crisis.

A HISTORICAL PERSPECTIVE ON THE RELATIONSHIP BETWEEN INFRASTRUCTURE AND ECONOMIC GROWTH

The necessity of providing adequate public works to ensure a solid foundation for economic development is certainly not a new or untested theory. In fact, the idea has been around for at least 2400 years.

John Kenneth Galbraith, in his recently published book *Economics in Perspective,* describes the work of the Greek scholar Xenophon (c. 440-c.355 B.C.), a student of Socrates and one of the earliest students of economics. In a work titled *On the Means of Improving the Revenues of the State of Athens,*[8] Xenophon considered the sources of the relative prosperity of the city and wrote of how the prosperity of the city could be improved. He noted that Athen's successes were due to the excellence of the surrounding agriculture, and he stated that the city's prosperity could best be enhanced by extending hospitality and privileges to foreign merchants by giving proper attention to public works.

In 1776 Adam Smith, certainly one of the most eloquent and insightful economic thinkers of any era, advanced the history of economics by a giant stride with the publication of *An Inquiry into the Nature and Causes of The Wealth of Nations.* In his treatise, Smith advised that the role of government should be strictly confined to three functions. These crucial governmental obligations are the provision for the common defense, the administration of justice, and the provision of necessary public works.

The rationale for the provision of public works as the third crucial function of government is stated by Adam Smith as follows:

"The third and last duty of the sovereign or commonwealth is that of erecting and maintaining those public institutions and those public works, which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature, that the profit could never repay the expense to any individual or small number of individuals, and which it therefore cannot be expected that any individual or small number of individuals should erect or maintain. . . .The works and institutions of this kind are chiefly those for facilitating the commerce of the society, and those for promoting the instruction of the people."[9]

Public Works In America — The Early Years

In American history, public works have indeed been a major stimulus to economic development and prosperity. As President, Thomas Jefferson favored Federal support of transportation as a boon to commerce, and his Secretary of the Treasury, Albert Gallatin, produced a national transportation plan in 1808 with his *Report on Roads and Canals.* Gallatin argued that their utility in stimulating commerce " is at this time so universally admitted as hardly to require any additional proofs."[10]

Although some canals were financed or built privately, the majority were built or financed by the public sector. The accomplishments of the canals, and turnpikes, in lowering transportation costs were impressive.

In fact, when DeWitt Clinton pushed the Erie Canal across New York State in the early 1800's, the primary purpose was to open up the western part of the state and the Great Lakes region to economic use, and by so doing to forestall Canadian development of the St. Lawrence — which would have made maritime Canada, not the U.S., the hub of New World commerce. When the Erie Canal opened, the cost of transporting wheat from Buffalo to New York was lowered from roughly $100 per ton to $10 per ton; clearly, the Canal accomplished its goal remarkably well.[11]

Federal involvement in public works investments to 1850 has not been precisely quantified, but one estimate places the total expenditures on internal improvements at 11 percent of the federal budget during 1820-1840, and this is thought to be a low figure because this did not include subsidies to state and private projects.[12]

Although the importance of federal public works up to 1850 was still modest, the role of the states and cities was central. State and local public works included roads, banks, canals, railroads, scientific surveys, salt works, sewers, public buildings, water systems, and more.

Urban water systems were conceived, and used, as a means to promote local economic growth. One study notes that "City boosters considered water works as crucial in the competition between municipalities for population, trade, and industry and emphasized their possession in touting their cities."[13]

In the quarter of a century after 1850, government investments in transportation infrastructure continued to be sizeable. Although the importance of the states as a source of funds declined in the post-Civil War years, Congress sharply increased the scale of its federal aid.

Until 1860, total investment in canals amounted to some $190 million, of which the public component comprised 73 percent, or $139 million. Total railroad investment by that time was $1.145 billion, of which some $280 million or 24 percent was public. The absolute amount of government aid to transportation in the Civil War period was also immense, and may have totalled $350 million, most of which occurred between 1860 and 1873.

Public transportation investment clearly had an impact on the pattern and speed of the nation's economic development in its first century. In the antebellum years, canals and later railroads opened up one region after another and widened agricultural markets. The expansion of agricultural markets allowed exports such as cotton to pay for vitally needed imports. After the Civil War, Western expansion made America the granary of the Western world, and the availability of food at lower prices raised urban living standards, enabling city dwellers to pay for the manufactured products of many new, expanding industries.

Public Works in America — After 1870

The 1870's appear as a great divide in the history of public works. With transportation needs being increasingly met by private enterprise, the federal role dwindled until 1932, and consisted largely of river and harbor construction, lighthouse building, reclamation, the building of "military" roads, and some other minor items (See Table 1).[14]

However, two exceptions merit special attention. First, the turn of the century saw the beginnings of reclamation work in the trans-Mississippi West. The second was an event of even greater significance — the decision to undertake completion of the Panama Canal, the most spectacular public work since the Pyramids. Others had repeatedly tried and failed to complete the project. Finally begun in 1904, the final cost of $352 million was larger than ***total Federal expenditures from the birth of the nation through 1896.***

Like the Canal itself, the benefits were immense. It sharply reduced the cost of shipping the world's goods. By the 1920's traffic exceeded 7000 ships per year. By the 1970's 15,000 ships and 100 million tons a year passed through the Canal.

Public works as a fraction of total construction began to rise during the late nineteenth century; most of the growth took place at the state and primarily the local level (See Table 2). Approximately one-fifth of total state and local spending was devoted to capital items from 1870 on, and state and local capital formation rose from less than one percent to well over two percent of GNP by the 1920's.

In the half-century after the Civil War, America became an urban society. In 1870, a quarter of the population lived in urban places (includes towns

TABLE 1

Federal Construction, 1869-1928 (millions of dollars and percent)[1]

Year	Federal Construction[2] (dollars)	River and Harbor to Federal Total Construction (percent)	Federal Construction to Federal Spending (percent)	Federal Construction to GNP (percent)
1869-1878	11.0	45	4.0	0.15
1879-1888	12.0	73	4.6	0.11
1889-1898	23.5	64	6.7	0.17
1899-1908	49.2	43	8.7	0.28
1909-1918	65.0	56	3.2	0.19
1919-1928	120.0	46	3.3	0.10

[1] Data are annual averages for decades.

[2] Excludes military construction.

Source: "History of Public Works", Appendix Tables II, V, VI and VII.

of more than 2500); by 1920, there were three cities with more than one million inhabitants, and one-third of the population lived in cities of 50,000 or more.

TABLE 2

State and Municipal Construction, Various Years, 1870-1932 (millions of dollars and percent)

Year	State and Municipal Construction (dollars)	State and Municipal Construction to: State and Municipal Spending (percent)	State and Municipal Construction to: GNP (percent)
1870	49.4	17.6	0.7
1880	69.6	22.2	0.7
1890	99.8	17.6	0.8
1902	164.0	14.9	0.8
1913	442.0	19.6	0.1
1922	1,584.0	28.0	2.1
1932	1,529.0	18.1	2.6

Source: "History of Public Works", Appendix Tables II and VII.

Urbanization resulted in unprecedented demand for expanded and purer water systems. Yet the progress toward pure water was extraordinarily slow, and hampered early on by a lack of understanding of water-borne diseases. Most American cities were completely lacking in sanitary sewers until the 1880's, and this was a major contributor to poor water quality and tremendous public health problems.

Data on capital formation in sewer and water systems is exceedingly sparse. It appears clear that these public sanitation systems accounted for only a small fraction of total state and local expenditures through 1910. Their benefits, however, appear to have been enormous. Between 1880 and 1910, life expectancy at birth for male children rose by eleven years, and for female children rose thirteen years. The reduction in suffering and illness was immeasurable.

By calculating the additional output from longer working lives and reduction in lost time due to illness, a social rate of return to public health investments has been calculated at between 6 and 16 percent, at a minimum. Not only were these infrastructure investments too little, too late to relieve untold human suffering — the rate of return to society would easily have exceeded the 4-5 percent earned on alternative private capital investments.

Expenditures on streets and bridges accounted for a major portion of most cities' public works investments from the 1870s on. In 1909, payments for streets and roads constituted 32 percent of public improvements. By contrast, water works, the next largest single item, accounted for 20 percent, schools made up 13 percent, and sewage disposal was 10 percent.

Bridge construction, though a smaller expenditure item, resulted in spectacular successes. The Mississippi was bridged at St. Louis at a cost of $10 million in 1870. New York's Brooklyn Bridge was completed in 1883 and spanned 1595 feet, six inches. Built in thirteen years at a cost of $15 million, the Brooklyn Bridge has been called the greatest municipal public work of the nineteenth century.

After 1870, cities engaged in an extremely wide variety of public works. While not the primary focus of municipal investment, the scope of this building indicates the range of activities considered public works necessary for development by one city or another. Electrical generating plants, wharves and piers, city halls, court houses, police and fire stations, hospitals, asylums, libraries and museums were all constructed as public facilities.

Additionally, some cities built ice plants, and one owned a bank. Even a number of slaughter houses, printing plants, baths, ferries, markets, laundries, parks, heating plants, coal yards, and milk pasteurization works were all publicly built.

Public construction in the 1920's was characterized by an increasing volume of public building, a continued small but important role for the federal government, and a road-building boom reasserting an historic concern with transportation. Non-military and non-residential public works construction, paced by schools and roads, rose sharply and continuously through the 1920's. Private investment peaked in 1926, but public works investments sustained the economy for several more years, continuing to rise and only peaking in 1931 at 3.5 times the 1920 level.

Expenditures on road construction grew to between 34 and 38 percent of all public construction during this period and furthered the trend toward suburbanization. Highway construction, and the demand for automobiles which it engendered, was a dynamic element in the economy of the 1920's.

States and localities had been the primary source of public construction in the 1920's, but after 1931 declining tax revenues and collapsing bond markets forced them to deeply cut public investments. When federal construction expanded as a result of New Deal public works programs, the federal construction share grew to between 60 and 65 percent of public construction during 1933-1938.

During the World War II era, the war effort brought about a shift in the composition of public construction. Traditional public construction, such as roads and sewers, had a total shortfall equal to about 3.3 years of building at 1940 levels.

At the same time, the public sector undertook the tremendous task of adding to America's industrial capacity, and built 56 percent of new industrial volume. Between 1940 and 1945, the War Production Board and related agencies financed construction of approximately $11 billion in new plant and equipment which was usable for civilian manufacturing when the war ended. In addition to $8.6 billion of privately-financed manufacturing investment, this equalled one-half of the book value of all manufacturing assets in existence in 1939.

Non-military, non-residential Federal public works quickly returned to "normal" almost immediately after World War II, then nearly doubled in the 1947-1950 period. Much of this growth was due to a $500 million increase in expenditures on conservation, rivers, and harbors. More importantly, state and local construction increased dramatically from $600 million in 1945, to $1.4 billion in 1946, and soared to $5.2 billion in 1950. Most of the increase came in three areas — sewer and water works, schools, and road construction. Taken together, public construction expanded by 45 percent between 1946 and 1950.

From 1950 to 1960, non-military, non-residential public construction rose by 58 percent, from $8.6 billion to $13.6 billion. Needs created by the baby boom, the automobile, and increasing urbanization led to construction of schools, roads, and public health investments which, when taken together, amounted to almost 90 percent of the increase in public construction from 1950-1960.

In the 1950 to 1960 period:

- Real construction expenditures for new schools (adjusted for inflation) increased by 72 percent.
- Expenditures on sewers and water works rose by 46 percent.
- Construction began on the largest public work to date in American history, the Interstate Highway System. By 1960, 32,000 miles were built and in 1960, $5.4 billion was spent on highways, 40 percent of all public construction.[15]

AMERICA'S INVESTMENT IN INFRASTRUCTURE — THE RECENT PRECIPITOUS DECLINE

An examination of the twenty years from the mid-1960's through the mid-1980's shows a dramatic reversal in the relationship between infrastructure investment and economic development and growth in the United States.

Although net investment in public works by federal, state, and local governments — the share of output devoted to adding to the nation's capital stock after accounting for physical depreciation — averaged 2.3 percent of gross national product in the late 1960's, it dropped to a mere *0.4 percent of GNP in 1980-1984* (See Table 3 and Chart).

In constant 1982 dollars (adjusted for inflation), public net investment in infrastructure plunged from $62.8 billion in 1964 to $11.5 billion in 1984, despite an increase in the total share of government in the gross national product. In constant 1982 dollars, again adjusted for inflation, total government spending grew from $507 billion in 1953 to $1.174 trillion in 1984.[16]

The National Council on Public Works Improvement analyzed this decline differently by measuring public works outlays, including both operations and maintenance and capital outlays, but exclusive of depreciation, as a percentage of gross national product. The Council concluded that aggregate public works outlays, including spending on operations, declined from 3.75 percent of GNP in the early 1960's to 2.6 percent in 1984.

QUANTIFYING THE HARMFUL ECONOMIC IMPACT OF DECLINING INFRASTRUCTURE INVESTMENT

Until recently, too little has been done to quantify the impact on the U.S. economy from diminishing investment in the nation's infrastructure. The anecdotal evidence has, however, indicated the tremendous cost and waste attributable to our lack of infrastructure. Consider the following:

- Transportation productivity and efficiency is detrimentally impacted by highway congestion, weight limitations on bridges and emergency maintenance required as a result of potholes and roads in disrepair. Trucking industry sources have indicated that rerouting trucks causes an increase in the time of a run by anywhere from 10 to 100 percent, and in the transportation sector, time is money.
- A load-posted bridge carrying 2000 autos and 200 trucks per day (a relatively light traffic load) must be detoured by trucks. At a detour length of five miles, with the trucks' running costs at 50 cents per mile, the 200 trucks per day incur additional total operating costs of $182,500 per year. If the bridge is closed and the 2000 autos per day must also detour the five miles, the total additional operating costs at 20 cents per mile are $730,000 per year for the autos. The combined costs for autos and trucks would be $912,500 per year.[17]
- In Pittsburgh, U.S. Steel estimated that it paid at least $1 million a year in additional costs to detour its trucks 18 miles around a major bridge closed by the state for lack of repair.[18]
- Low unit transportation costs are a major contributor to the competitiveness of U.S. agricultural products in world markets. Because transportation costs represent about 15-30 percent of the landed price of exports, the inadequacy of many rural roads and bridges is a concern for the future of America's agricultural exports.[19]
- If a worker is tied up in traffic 20 minutes each working day — 10 minutes to and 10 minutes from work — and stays on the job for 45 years, he or she will spend nearly *two working years* tied up in traffic. The share of rush-hour traffic on urban interstates rated as congested has increased from 40 percent in 1975 to 61 percent in 1985.[20]
- In all, the nation wasted an estimated 1.25 billion vehicle hours and 1.38 billion gallons of gas in traffic congestion on limited access highways in 1984. By 2005, waste could soar to 6.91 billion hours and 7.32 billion gallons.[21]
- In 1986, schedule delays on the nation's airlines exceeded 2,000 hours per day — the equivalent of grounding 250 aircraft every day. In dollar terms, delays cost consumers and air carriers over $3 billion in 1986 alone.[22]
- Americans boarded scheduled U.S. airliners a record 418 million times in 1986, up 46 percent from five years earlier. By the year 2000, the Federal Aviation Administration estimates the total figure could increase to 750 million, resulting in even more congestion.

The agency predicts that the number of "seriously congested" airports will soar to 58 by then, affecting 74 percent of passengers, compared with 16 airports and 39 percent in 1986. There hasn't been a major airport built in the U.S. since Dallas/Ft. Worth was built in 1974 when the airlines carried only 207 million passengers. That is less than half of the 1986 volume.[23]

- The Port Authority of New York and New Jersey estimates that the region has lost 600,000 jobs as a direct result of infrastructure deterioration.[24]
- Half of all communities in the country cannot expand because their wastewater treatment plants are operating at or near full capacity.[25]
- Leaky pipes cause some major cities to lose as much as 30 percent of their fresh water supply each day.[26]

Recent Studies Quantify the Harmful Impact of Inadequate Infrastructure Investment

A great deal of harm has been done to the American economy from a lack of infrastructure investment, and this damage is continuing unchecked. But the magnitude of the present and growing crisis is difficult to ascertain from these specific examples of waste and lost productivity.

Fortunately, significant strides have been made in several recent economic studies that quantify the economic impact of thirty years of neglecting America's infrastructure.

Private Capital Stock is Reduced by Insufficient Infrastructure Investment

In October, 1987 the Federal Reserve Bank of Chicago published work by senior economist David Alan Aschauer examining the level of public capital expenditures required to spur productivity and economic growth.[27]

Aschauer began by examining recent trends in public expenditures, as discussed earlier in this report. He then shows that public sector investment ultimately increases the private sector capital stock by influencing the rate of return to private investment. His study shows that public capital expenditures are a critical determinant of the nation's long-run production potential.

Aschauer notes that during 1953-1971, both the private and public net investment rates exceeded the growth rate of the work force, producing rising private and public capital stocks per worker. However, since 1971, net public infrastructure investment has declined precipitously from 1.8 percent of GNP to only 0.4 percent of GNP, and the amount of public capital per worker has declined from $15,576 in 1971 to $14,224 in 1984. During the same period, the private capital stock per worker has expanded from $26,654 in 1971 to $29,905 in 1984.

Public capital devoted to infrastructure purposes is complementary to private capital in the production of goods and services. This implies that a rise in public capital stock makes private capital more productive. Thus, higher levels of public investment filter into elevated profit rates for the nation's businesses. Table 3 is reproduced again as Table 4 with an addition — a third column has been added that contains annual averages of the net profit rate of nonfinancial corporations in the U.S.

In a competitive marketplace, the net profit rate approximates the marginal productivity of private, nonfinancial corporate capital. The economy's rate of profit — the private rate of return on invested capital — tends to be high when the level of public capital formation is high over the course of several years. In particular, the decade of the 1960's reveals the highest returns on the private sector capital stock corresponding to the highest rates of public sector capital accumulation.

Deficient capital formation alone is not responsible for the recent low rate of return to the nation's capital stock and the slowing rate of investment. Low levels of capacity utilization in the economy's factories, mines, and utilities as a result of oil price increases and real exchange rate appreciation helped diminish the net profits obtained per unit of capital. However, Aschauer's statistical analysis indicates that the level of public capital strongly influences the net return to private capital even after accounting for these cyclical effects.

The empirical results show that a 10 percent increase in the capacity utilization rate from its 1984 value of 74 percent would have raised the profit rate from 9.9 to 11.4 percent. An additional 10 percent increase in the public capital stock (five years of extra net public investment of $32.4 billion, or an extra 0.9 percent of GNP) would have increased the rate of return by a still larger amount to 12.6 percent.

TABLE 3

Government Spending and Infrastructure Investment

Year	Total Government Expenditures (% of GNP)	Public Net Investment in Infrastructure (% of GNP)
1953-59	28.1	1.9
1960-64	27.6	2.2
1965-69	29.1	2.3
1970-74	31.2	1.4
1975-79	32.1	0.7
1980-84	33.9	0.4

Source: "National Income and Product Account", U.S. Department of Commerce and "Flow of Funds", Federal Reserve System.

Aschauer's analysis indicates that if the U.S. had held net infrastructure investment steady at 2.1 percent of GNP — its 1953-to-1969 average — throughout the 1970's and early 1980's, the downward trend in the rate of return to private capital would have been eliminated. Although the fluctuations from changed currency valuations and capacity utilization would have remained unchanged, the downward slide would still have been halted.

TABLE 4

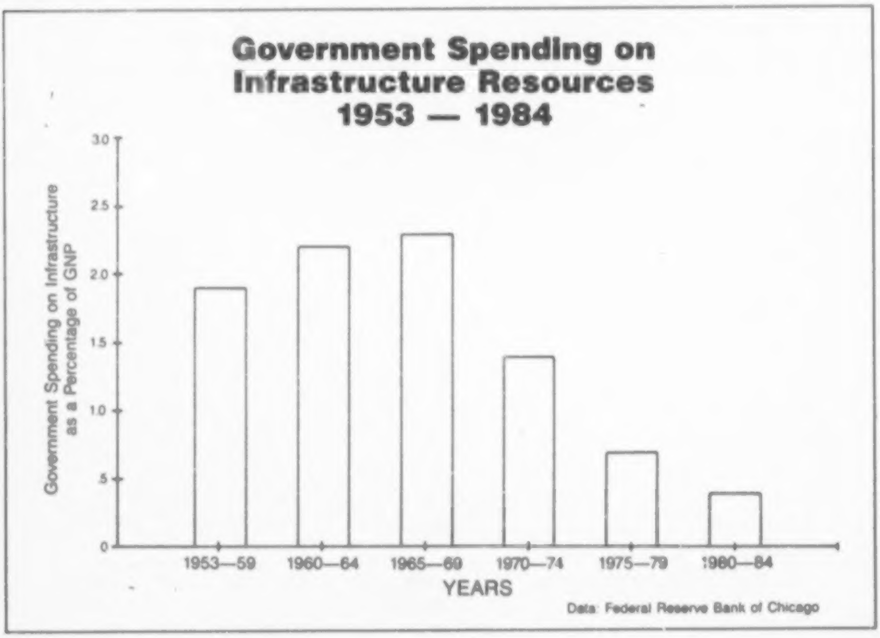
Infrastructure Investment and the Return to Private Capital

Year	Total Government Expenditure (% of GNP)	Public Investment in Infrastructure (% of GNP)	Profit Rate (%)
1953-59	26.1	1.9	10.8
1960-64	27.6	2.2	11.6
1965-69	29.1	2.3	13.3
1970-74	31.2	1.4	9.8
1975-79	32.1	0.7	9.1
1980-84	33.9	0.4	7.9

Sources: "National Income and Product Accounts", U.S. Department of Commerce and "Flow of Funds", Federal Reserve System.

As the rate of return to private capital increases in the simulation with the higher public investment, expenditures on private capital stock would be stimulated, ultimately inducing a cumulative rise in the private capital stock of roughly $39 billion over its actual 1984 level of $3,442.8 billion.

The national capital stock would have risen from $5,063.6 billion to $5,137.6 billion, a 1.5 percent increase. Therefore, the net effect of temporarily increasing the public investment rate is a substantial increase in the national capital stock. Public investment policy clearly has important conse-



Government Spending on Infrastructure Resources 1953 — 1984

Data: Federal Reserve Bank of Chicago

quences for the economy's production possibilities.

Aschauer concludes by stating that the public capital stock appears to be too low relative to the private capital stock, thereby depressing the rate of profit to the nation's stock of plant and equipment. He states that more attention should be paid to the composition of the government's expenditure, and particularly its effects on the nation's infrastructure needs.

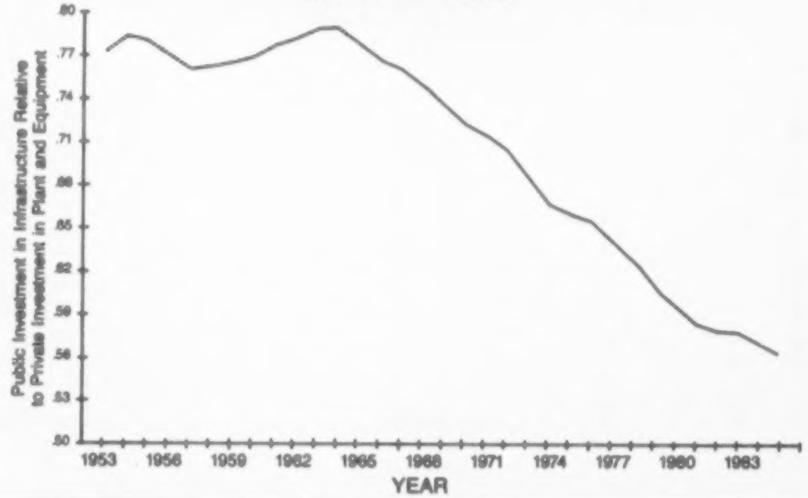
The share of total government spending devoted to public capital formation has dropped from 8 percent in the 1960-1964 period to a meager 1.2 percent between 1980 and 1984. A chart on page 11 illustrates the percentage of total public works spending by each level of government. By reorienting our priorities for public spending to upgrade and expand the nation's infrastructure, we can heighten the productivity of our workforce and improve the competitive position of the United States in the increasingly competitive international marketplace.

Infrastructure Investment Results in Productivity Gains

A Federal Reserve Bank of Philadelphia study by Geralde R. Carlino further identifies infrastructure investment as a source of productivity gains to private industry. Carlino notes that the size of a city significantly affects the productivity of workers in private industry, and that growing municipalities that neglect public facilities will lose their competitive advantage.[28]

The study shows that as more companies move into a city, the productivity of each firm increases because of "agglomeration economies." This is a type of economy of scale that is external to a firm, and results from having a number of firms in the same industry in a city, or from the size of the city itself.

Public Infrastructure Investment Relative to Private Investment in Plant and Equipment 1953 — 1985



An example of "agglomeration economies" is found in the grouping of computer industry firms in California's Silicon Valley, Boston's Route 128, North Carolina's Research Triangle, and Philadelphia's Route 202. This clustering effect quickly attracts support firms, financial services, and a pool of highly qualified workers. Productivity is increased as a result.

However, productivity gains are choked off when growth without infrastructure investment brings traffic congestion and creates inflation. If city planners fail to resolve the problems of congestion as a city grows, then firms will find their cost of doing business in that city increasing. In this sense, Carlino warns, public infrastructure and private capital work together to increase local production.

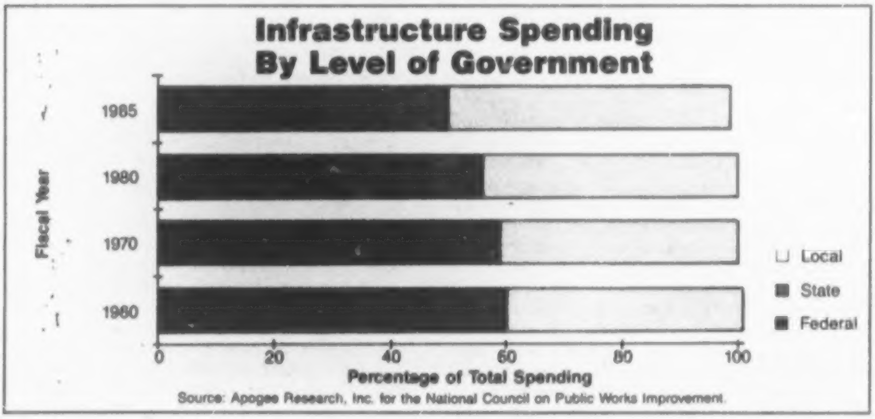
Carlino's model shows that in Peoria, Illinois, with a population of almost half a million, a company would nearly double its productivity rate by doubling its raw material, work force, and production. But in Philadelphia, the nation's fourth largest metropolitan area with nearly five million people, the result would be no productivity gain at all.

Carlino states that the productivity gains from city size may not be fully tapped if the city cannot accommodate the growth which agglomeration economies spur. Insufficient investment in public infrastructure, such as roads, bridges, sewers, and public transportation systems, as well as schools and universities, could halt the growth of an area. After some point, additional public infrastructure is necessary for future growth to occur.

The Link Between Infrastructure Investment and Manufacturing Productivity

In another recent study, Randall Eberts at the Federal Reserve Bank of Cleveland measured the level of public infrastructure for 38 metropolitan places for the years 1958-1981.[32] Eberts also considers public infrastructure as an element, together with labor and private capital, in a citywide manufacturing production function. While his method of estimation does not give particulars about specific cities, Eberts finds that a doubling of public infrastructure would lead to a 4 percent increase in manufacturing output, on average, in his sample of 38 metropolitan places.

Public leaders at all levels of government need to recognize the fact that large cities have existed and will continue to exist, at least in part because they tend to make workers and other factors of production more productive. Planners need to recognize the fact that city size does matter to the rate of economic growth achievable, for if infrastructure and schools are either allowed to remain as they are or to decay, they will fail to realize the "agglomeration economies" and productivity gains which cities provide.



Infrastructure Spending By Level of Government

Source: Apogee Research, Inc. for the National Council on Public Works Improvement.

RECENT TREND TOWARD "SUBURBANIZATION" OF JOBS INCREASES NEED FOR INFRASTRUCTURE INVESTMENT

Not all regions appear organized to handle the task of tackling the immense infrastructure problems facing their communities. Some light can be shed on the difficulties in addressing the infrastructure crisis by looking at recent patterns of growth.

Since 1950 metropolitan growth has been primarily suburban, with 86 percent of population growth occurring in the suburbs. As a result, the suburbs, with only 23 percent of the population in 1950, accounted for 44 percent by 1984, while central city shares have remained relatively constant. By 1980, almost half of the U.S. population, 108 million people, lived in 35 areas of over 1 million. Over one-third of the population lived in metropolitan areas of over 2.5 million persons.

The suburbanization of jobs has followed the suburbanization of population. Commuting growth has concentrated in the suburbs, as between 1960 and 1980 the suburbs received about two-thirds of all metropolitan job growth. In 1960, American suburbs contained 14 million jobs, representing about 35 percent of jobs measured by worker trips. By 1980 the number of jobs in the suburbs had more than doubled to about 33 million, representing about 47 percent of all metropolitan job destinations.

The U.S. metropolitan suburbs now have about 60 percent of metropolitan workers and are receiving about 67 percent of job growth. This not only suggests a continuing shift of development toward the suburbs, but also greater balance in the suburbs between workers and jobs.

According to the recent study "Commuting in America"[30]:

- Average travel times for all commuters have reached about 21 minutes for a typical journey of only 10 miles, indicating an average commuting speed of only 28 miles per hour.
- Nationally, public transit travel times are now about twice those of the private vehicle. In large, high transit use metropolitan areas, average transit travel times are 1.7 to 1.8 times the travel time of private vehicles.
- Part of the attraction of work travel to the suburbs has been that present lower suburban densities make suburban travel speeds on some routes better than suburb-to-center city speeds. But, generally low road capacity can quickly shift speeds downward as commuting growth occurs.

In Long Island, highways, already the most crowded in the New York metropolitan area, will become even more congested. Studies show that by the year 2000 many roads there could experience stop-and-go traffic 15 hours a day.[31]

The suburbs are indeed growing. *Time* magazine has termed them "megacounties" — a form of urban organization — that is so new that demographers have not yet coined an acceptable name for them. Outside almost every major American city, one or more counties are developing the characteristics of sprawling, increasingly dense suburbs.[32]

Gwinnett County, Georgia, 18 miles outside of Atlanta, has seen its population quadruple from 72,300 in 1970 to 250,000 in 1987. Oakland County, near Detroit, has received 40 percent of all jobs created in Michigan since 1982. Tysons Corner, an unincorporated area of Fairfax County 13 miles from downtown Washington, D.C. now contains more office space than either Baltimore or downtown Miami.

These changes are having a profound impact on society, wreaking havoc with roads and transportation. The shift also calls into question the ability of local governments, working independently and with limited resources, to cope. For example, metropolitan Atlanta has 53 separate governments, and Denver has about 50. Du Page County, Illinois, adjacent to Chicago-O'Hare International Airport, has climbed to a population of 700,000 governed by 35 municipalities, nine townships, and many more special districts (fire districts, sanitary districts, and school districts).

As the megacounties are straining to meet infrastructure challenges, old-line central cities are having a difficult time without an expanding tax base. Added to this is the recent withdrawal of certain federal assistance programs, such as revenue-sharing which made up 25 percent of federal assistance to municipalities and restrictions on tax-exempt bond financing passed by Congress in the Tax Reform Act of 1986.

Strapped governments are now asking developers and businesses to pay for more of their own improvements. Not long ago, Southbury, Connecticut would have offered tax abatements and a package of services to attract an employer with 2,500 jobs. Now, a new corporate resident such as International Business Machines Corp., will spend millions to improve local roads and build its own sewage-treatment plant.[33]

A National League of Cities survey conducted in 1987 polled 545 cities and towns, including the nation's largest 25 cities, found that cities and towns are increasingly unable to meet infrastructure needs. Fifty-two percent of the respondents said that they have cut capital spending in 1987.[34]

OTHER COUNTRIES — EXAMPLES FOR THE U.S.?

How have other nations addressed their infrastructure needs in this era of international competitiveness? Are there lessons for the U.S. in their policies?

Germany and Japan both use a five-year public sector program that includes infrastructure, and the plan is closely linked to the public budget to assure a continuous approach to infrastructure funding.[35]

Other governments realize that infrastructure investment is a proper and continuing responsibility of the national government. In Germany, the federal government plays a guiding role in development of infrastructure policy, with state and local governments generally determining actual projects and implementing them. Local governments are most closely involved in local road maintenance, public transit, sewage, water, electricity, housing construction, and related projects. In fact, two-thirds of Germany's public investment decisions are made by local governments, with financial assistance and loans from the states.

The Australian states derive most of their revenue from unconditional federal grants negotiated periodically by federal and state policymakers. In the not-so-distant past, the Canadian provinces also received powerful revenue raising assistance from Ottawa in the form of tax credits that permitted the provinces to re-enter the income tax field after World War II at virtually no political risk to their elected leaders — an innovative federal-state tax sharing program.

Japan is clearly going the extra mile to ensure that industry has an environment conducive to growth. Under its ambitious "Technopolis" plan, Japan intends to create nineteen high-technology industrial complexes by 1990. Each "Technopolis" will integrate high-tech industry with a university or research institute and pleasant residential areas designed to attract engineers and researchers.[36]

Each locality will be responsible for developing its own Technopolis program, including selection of a site; identification of goals; planning, construction, and maintenance of industrial land, water service, housing, and roads; and creation of a legal body to facilitate financing for businesses and other services needed for industrial development.

Once government approves a locality's plan, it provides wide-ranging assistance such as favorable tax-depreciation allowances, business financing, and construction of needed infrastructure.

CONCLUSION — INCREASING INFRASTRUCTURE INVESTMENT WILL HELP MAKE AMERICA'S ECONOMY COMPETITIVE AGAIN!

Former Secretary of Labor William Brock, in a review of the nation's economic problems called "Competing Takes Hard Work," recalls the old comic strip in which Pogo once said, "We have met the enemy, and he is us."[3]

For the past 20 years, America has chosen to neglect infrastructure investments, and we have paid the economic price in terms of lost productivity and unrealized economic growth. As a result, the economic problems facing this nation are now enormous, and the trade deficit can no longer be ignored.

In searching for solutions to the nation's enormous trade problems, we cannot afford to ignore the one solution — investment in our roads, bridges, water and sewer works, dams, ports, schools, and public buildings — that will enable this country to reap economic growth rewards and become competitive once again; but first, we must provide the infrastructure foundations for growth. Otherwise, instead of increased productivity, we will only spend more and more due to inefficiency and congestion, and risk tying up our nation's economic future in one vast, unproductive traffic jam.

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APPENDIX

ESTIMATE OF TOTAL INFRASTRUCTURE NEEDS — 1987 (IN BILLIONS OF DOLLARS)

	Total	Investment Timeframe (Years)	Annual
Potable Water	142.6	20	7.13
Wastewater	552.8	20	27.6
Drainage	120.0	20	6.0
Housing	312.0	15	20.8
Hospitals	146.9	10	14.7
Ed. Facilities	55.3	11	5.03
Prisons	7.9	7	1.13
Post Offices	7.0	5	1.4
Locks	17.0	22	.77
Ports	4.5	10	.45
Waterways	34.0	20	1.7
Dams/Reservoirs	94.4	10	9.4
Railroads	36.0	10	3.6
Mass Transit	31.4	5	6.3
Highways	1639.0	25	65.5
Airports	34.0	6	5.7
Bridges	52.9	20	2.65
Totals	3287.7	22 years (Weighted Average)	179.9

Source: Associated General Contractors of America.

APPENDIX

COMPARISON OF THREE INFRASTRUCTURE NEEDS STUDIES

— Summary of Annual Needs by Category —
(In Billions of Dollars)

	Associated General Contractors of America (1987 Study)	Congressional Budget Office (1983 Study)	Joint Economic Committee (1984 Study)
Highways	65.56	27.2	40.0
Bridges	2.65		
Airports	5.7	1.5	11.4
Mass Transit	6.3	5.5	
Railroads	3.6	—	
Ports	.45	4.1	
Locks	.77		
Waterways	1.7		
Dams/Reservoirs	9.4		
Potable Water	7.13	7.7	5.3
Wastewater	27.6	6.6	9.1
Drainage	6.0	—	—
Housing	20.8	—	—
Hospitals	14.7	—	—
Educational Facilities	5.08	—	—
Prisons	1.13	—	—
Post Offices	1.40	—	—
Total	179.9	52.6	64.3

Source: Associated General Contractors of America.

APPENDIX

The National Council on Public Works Improvement's
REPORT CARD ON THE NATION'S PUBLIC WORKS

Subject Category	Grade	Successes/ Recent Changes	Problems/ Future Weaknesses
HIGHWAYS	C+	Federal and state gas tax increases have injected new capital into the system. This, along with increased O&M spending, has improved pavement conditions. However, quality of service in terms of congestion is declining.	Spending for system expansion has fallen short of need in high-growth urban and suburban areas. Many roadways and bridges are aging and require major work. Needs of most rural and smaller systems exceed available resources. Highway Trust Fund has a sizeable cash balance.
MASS TRANSIT	C-	Federal capital grants have helped improve quality of service in some areas, but overall productivity of the system has declined significantly. Growth of transit vehicles is double the rate of increase in ridership. Diverting people from cars is increasingly difficult.	Mass transit is overcapitalized in many smaller cities and inadequate in large, older cities. Systems rarely are linked to land-use planning and broader transportation goals. Maintenance has been erratic and inadequate, especially in older cities.
AVIATION	B-	In general, the aviation system has handled rapid increases in demand safely and effectively. However, service has begun to decline in the face of increasing airport and airspace congestion as a result of strong traffic growth. The air traffic control system is currently undergoing a $16 billion modernization.	Congestion is the system's primary problem. Despite recent increases in authorizations, sizeable cash balance remains unspent in the Airport and Airway Trust Fund. The air traffic control system needs substantial upgrading to maintain safety.
WATER RESOURCES	B	Water Resources Act of 1986 made cost-sharing mandatory for many types of water projects. This change should improve project selection and reduce overall project costs.	Cost-sharing will improve efficiency but also increase local costs of water projects. Poorer communities may find it difficult to finance projects. Implementation is often excessively slow and cumbersome.
WATER SUPPLY	B-	While regional performance varies, water supply stands out as an effective, locally-operated program. Strict new standards created by the 1986 Safe Drinking Water Act will require drastic increases in water rates over the next decade.	Many public water systems suffer from pricing below costs, inability to meet purity standards, or source contamination. Storage and distribution systems are deteriorating in some older cities and supplies are limited in some parts of the West and several cities along the East coast.
WASTEWATER	C	Over 75% of U.S. population is served by secondary treatment plants. Shift from federal grants to state revolving loans may improve efficiency of plant construction. Broadened focus on nonpoint source pollution and groundwater contamination may accelerate progress toward cleaner water.	Despite $44 billion federal investment in sewage treatment since 1972, water quality has not improved significantly. This is due in part to uncontrolled sources of pollution, such as run-off from farmland and roadways. Overall productivity of secondary treatment facilities is declining, resulting in an increase in water quality violations.
SOLID WASTE	C-	Testing and monitoring of solid waste facilities are more rigorous as a result of tougher environmental standards. Waste-to-energy technology is growing as alternative to landfills. More aggressive waste reduction, separation, and recycling efforts are beginning at the local level. However, few states have moved boldly on these measures.	Nation faces significant costs of adequate and safe facilities. Limited data suggest trends toward fewer but safer landfills, rapid growth in resource recovery, and little progress toward waste reduction. Public opposition to siting all types of facilities is a major problem.
HAZARDOUS WASTE	D	Funding for site clean-up has increased five-fold since 1986, but progress has been slower than expected. Only a small fraction of the two tons of waste per capita produced in America each year is being treated safely. Major challenge is still ahead of us.	Nation has forfeited much of its opportunity to reduce waste before it is produced. Waste control legislation promotes "end-of-pipe" rather than source reduction solutions. Congressional mandates and schedules may be overly optimistic, given administrative resources. A massive backlog of poisons and needed cleanup projects faces the nation.

ALABAMA Infrastructure Facts

Alabama's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Alabama's infrastructure needs.

CLEAN WATER NEEDS IN ALABAMA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN ALABAMA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$168	$66	$93	$18	$116	$86	0	$547
Needs (with population growth)	232	92	93	18	152	194	0	781

U.S. Environmental Protection Agency

- Over just the next five years, 28 projects must be built to bring Alabama's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $23.5 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 69 **additional** projects must be funded at a cost of $130.0 million.

HAZARDOUS WASTE SITES IN ALABAMA

- In Alabama 6.52 million metric tons of hazardous waste were generated in 1986 -- 2.5 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 10 Alabama sites on the National Priorities List for Superfund cleanup. An additional 2 sites located in Alabama (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN ALABAMA

Site Name	City/County	
Alabama Army Ammunitions Plant	Childersburg	
Anniston Army Depot (Southeast Industrial Area)	Anniston	
Ciba-Geigy Corp. (McIntosh Plant)	McIntosh	
Interstate lead Co. (ILCO)	Leeds	
Mowbray Engineering Co.	Greenville	
Olin Corp. (McIntosh Plant)	McIntosh	
Perdido Ground Water Contamination	Perdido	
Redwing Carriers, Inc.	Saraland	*Proposed*
Stauffer Chemical Co. (Cold Creek Plant)	Bucks	
Stauffer Chemical Co. (LeMoyne Plant)	Axis	
T.H. Agriculture & Nutrition Co. (Montgomery Plant)	Montgomery	*Proposed*
Triana/Tennessee River	Limestone/Morgan	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN ALABAMA

- In Alabama, 19 percent, or 4,694 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 581 miles in the state are unpaved rural roads.

- Ten percent, or 460 miles, of urban highways and streets in Alabama are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 5 percent of the total road mileage in Alabama, but carry over 80 percent of the state's travel.

ALABAMA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	1	47	210	2,471	2,635	5,364
1988	1	38	191	1,980	2,484	4,694

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	None	27	172	287	486
1988	None	None	30	167	263	460

Federal Highway Administration

ALABAMA'S DEFICIENT BRIDGES

- Alabama has a total of 15,413 bridges, of which 7,248 (47 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-seven percent of Alabama's highway bridges on the federal-aid system are deficient, as are 60 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN ALABAMA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	7,708	830	2,049	2,879	37
On State or Local Roads	7,705	2,642	1,727	4,369	60
ALABAMA TOTAL	15,413	3,472	3,776	7,248	47

Highway Bridge Replacement and Rehabilitation Program, 1990.

ALABAMA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

ALABAMA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$114.6	$74.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

ALASKA Infrastructure Facts

Alaska's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Alaska's infrastructure needs.

CLEAN WATER NEEDS IN ALASKA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN ALASKA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$46	0	$5	0	$19	$37	0	$107
Needs (with population growth)	94	0	5	0	19	103	0	221

U.S. Environmental Protection Agency

- Over just the next five years, 39 projects must be built for Alaska's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $83.6 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN ALASKA

- In Alaska 45,900 million tons of hazardous waste were generated in 1986.
- The Environmental Protection Agency has placed 1 Alaska site on the National Priorities List for Superfund cleanup. An additional 4 sites located in Alaska (also listed below) are proposed for addition to the Superfund list.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN ALASKA

Site Name	City/County	
Alaska Battery Enterprises	Fairbanks N Star Bor	
Eielson Air Force Base	Fairbanks N Star Bor	Proposed
Elmendorf Air Force Base	Greater Anchorage Bo	Proposed
Fort Wainwright	Fairbanks N Star Bor	Proposed
Standard Steel & Metals Salvage Yard (U.S. DOT)	Anchorage	Proposed

U.S. Environmental Protection Agency, National Priorities List, July, 1989

ALASKA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

ALASKA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$455.9	$126.6

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HIGHWAY NEEDS IN ALASKA

- In Alaska, 37 percent, or 1,136 miles, of paved rural highway miles in the state are roads rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,745 miles are unpaved rural roads.

- Thirty-five percent, or 130 miles, of urban highways and streets in Alaska are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 42 percent of Alaska's road and street mileage, but carry over 85 percent of the state's travel.

ALASKA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	437	None	390	239	91	1157
1988	435	None	361	254	86	1136

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	18	7	27	17	48	117
1988	21	6	36	20	47	130

Federal Highway Administration

ALASKA'S DEFICIENT BRIDGES

- Alaska has a total of 800 bridges, of which 89 (11 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Seven percent of Alaska's highway bridges on the federal-aid system are deficient, as are 23 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN ALASKA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	582	24	15	39	7
On State or Local Roads	218	32	18	50	23
ALASKA TOTAL	800	56	33	89	11

Highway Bridge Replacement and Rehabilitation Program, 1990.

ARIZONA Infrastructure Facts

Arizona's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Arizona's infrastructure needs.

CLEAN WATER NEEDS IN ARIZONA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.'

PUBLIC WASTEWATER TREATMENT NEEDS IN ARIZONA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$297	$81	$2	$2	$47	$113	0	$542
Needs (with population growth)	611	81	2	2	55	228	0	979

U.S. Environmental Protection Agency

- Over just the next five years, 104 projects must be built for Arizona's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $225.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). This is in addition to 1 project required at a cost of $1.0 million to bring Arizona into compliance initially.

HAZARDOUS WASTE SITES IN ARIZONA

- In Arizona 1.01 million metric tons of hazardous waste were generated in 1986 -- 0.4 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 5 Arizona sites on the National Priorities List for Superfund cleanup. An additional 6 sites located in Arizona (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN ARIZONA

Site Name	City/County	
Apache Powder Co.	St. David	*Proposed*
Hassayampa Landfill	Hassayampa	
Indian Bend Wash Area	Scottsdale/Tempe/Phoenix	
Litchfield Airport Area	Goodyear/Avondale	
Luke Air Force Base	Glendale	*Proposed*
Mesa Area Ground Water Contamination	Mesa	*Proposed*
Motorola, Inc. (52nd Street Plant)	Phoenix	*Proposed*
Nineteenth Avenue Landfill	Phoenix	
Tucson International Airport Area	Tucson	
Williams Air Force Base	Chandler	*Proposed*
Yuma Marine Corps Air Station	Yuma	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN ARIZONA

- In Arizona, 25 percent, or 2,335 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 2,222 miles in the state are unpaved rural roads.

- Sixteen percent, or 565 miles, of urban highways and streets in Arizona are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 22 percent of Arizona's road and street mileage, but carry over 83 percent of the state's travel.

ARIZONA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	132	52	63	548	176	971
1988	270	174	310	1,144	437	2,335

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	22	None	140	156	129	447
1988	49	None	168	161	187	565

Federal Highway Administration

ARIZONA'S DEFICIENT BRIDGES

- Arizona has a total of 5,722 bridges, of which 420 (8 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Six percent of Arizona's highway bridges on the federal-aid system are deficient, as are 11 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN ARIZONA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	4,580	63	226	289	6
On State or Local Roads	1,142	77	54	131	11
ARIZONA TOTAL	5,722	140	280	420	8

Highway Bridge Replacement and Rehabilitation Program, 1990.

ARIZONA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

ARIZONA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$168.3	$131.5

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

ARKANSAS Infrastructure Facts

Arkansas' *infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Arkansas's infrastructure needs.

CLEAN WATER NEEDS IN ARKANSAS

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN ARKANSAS, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$118	$20	$56	$3	$31	$29	0	$257
Needs (with population growth)	189	26	56	3	46	50	0	370

U.S. Environmental Protection Agency

- Over just the next five years, 170 projects must be built for Arkansas's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $35.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN ARKANSAS

- In Arkansas 3.81 million metric tons of hazardous waste were generated in 1986 -- 1.5 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 10 Arkansas sites on the National Priorities List for Superfund cleanup (listed below).

SUPERFUND NATIONAL PRIORITIES LIST SITES IN ARKANSAS

Site Name	City/County
Arkwood, Inc.	Omaha
Cecil Lindsey	Newport
Frit Industries	Walnut Ridge
Gurley Pit	Edmondson
Industrial Waste Control	Fort Smith
Jacksonville Municipal Landfill	Jacksonville
Mid-South Wood Products	Mena
Midland Products	Ola/Birta
Rogers Road Municipal Landfill	Jacksonville
Vertac, Inc.	Jacksonville

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN ARKANSAS

- In Arkansas, 17 percent, or 3,338 miles, of all paved rural highway miles in the state are roads rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 5,390 miles in the state are unpaved rural roads.

- Fourteen percent, or 397 miles, of urban highways and streets in Arkansas are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 35 percent of the total road mileage in Arkansas, but carry over 91 percent of the state's travel.

ARKANSAS' DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	18	89	365	2,001	1,094	3,567
1988	25	14	316	1,916	1,067	3,338

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	6	1	56	161	179	403
1988	19	1	75	128	174	397

Federal Highway Administration

ARKANSAS' DEFICIENT BRIDGES

- Arkansas has a total of 12,985 bridges, of which 5,523 (43 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-five percent of Arkansas's highway bridges on the federal-aid system are deficient, as are 58 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN ARKANSAS - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	5,969	383	1,100	1,483	25
On State or Local Roads	7,016	1,263	2,777	4,040	58
ARKANSAS TOTAL	12,985	1,646	3,877	5,523	43

Highway Bridge Replacement and Rehabilitation Program, 1990.

ARKANSAS' AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

ARKANSAS AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$65.2	$34.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

CALIFORNIA Infrastructure Facts

California's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of California's infrastructure needs.

CLEAN WATER NEEDS IN CALIFORNIA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN CALIFORNIA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$2,472	$26	$358	$652	$341	$367	$1,041	$5,257
Needs (with population growth)	3,306	79	358	652	397	706	1,041	6,539

U.S. Environmental Protection Agency

- Over just the next five years, 8 projects must be built to bring California's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $716.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 24 additional projects must be funded at a cost of $656.4 million.

HIGHWAY NEEDS IN CALIFORNIA

- In California, 9 percent, or 2,798 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 2,067 miles in the state are unpaved rural roads.
- Nine percent, or 2,067 miles, of urban highways and streets in California are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 35 percent of California's road and street mileage, but carry over 93 percent of the state's travel.

CALIFORNIA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	123	8	220	871	1,809	3,031
1988	101	8	164	901	1,624	2,798

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	71	3	353	812	1,067	2,306
1988	64	2	281	766	1,084	2,197

Federal Highway Administration

Rebuild America Coalition **March, 1990**

CALIFORNIA'S DEFICIENT BRIDGES

- California has a total of 22,289 bridges, of which 5,891 (26 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Fifteen percent of California's highway bridges on the federal-aid system are deficient, as are 49 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN CALIFORNIA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	14,901	523	1,751	2,274	15
On State or Local Roads	7,388	1,137	2,480	3,617	49
CALIFORNIA TOTAL	22,289	1,660	4,231	5,891	26

Highway Bridge Replacement and Rehabilitation Program, 1990.

CALIFORNIA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

CALIFORNIA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$1,086.8	$534.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN CALIFORNIA

- In California 16.15 million metric tons of hazardous waste were generated in 1986 -- 6.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 52 California sites on the National Priorities List for Superfund cleanup. An additional 46 sites located in California (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN CALIFORNIA

Site Name	City/County	
Advanced Micro Devices, Inc. (Building 915)	Sunnyvale	*Proposed*
Advanced Micro Devices, Inc.	Sunnyvale	
Aerojet General Corp.	Rancho Cordova	
Applied Materials	Santa Clara	
Atlas Asbestos Mine	Fresno County	
Barstow Marine Corps Logistics Base (Nebo Area)	Barstow	*Proposed*
Beckman Instruments (Porterville Plant)	Porterville	
Brown & Bryant, Inc. (Arvin Plant)	Arvin	*Proposed*
Camp Pendleton Marine Corps Base	San Diego County	*Proposed*
Castle Air Foce Base	Merced	
Celtor Chemical Works	Hoopa	
Coalinga Asbestos Mine	Coalinga	
Coast Wood Preserving	Ukiah	
Concord Naval Weapons Station	Concord	*Proposed*
Crazy Horse Sanitary Landfill	Salinas	*Proposed*
CTS Printex, Inc.	Mountain View	*Proposed*
Del Norte Pesticide Storage	Crescent City	
Edwards Air Force Base	Kern County	*Proposed*
El Toro Marine Corps Air Station	El Toro	*Proposed*
Fairchild Semiconductor Corp. (Mountain View Plant)	Mountain View	*Proposed*
Fairchild Semiconductor Corp. (South San Jose Plant)	South San Jose	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN CALIFORNIA (Continued)

Site Name	City/County	
Firestone Tire & Rubber Co. (Salinas Plant)	Salinas	
FMC Corp. (Fresno Plant)	Fresno	*Proposed*
Fort Ord	Marina	*Proposed*
Fresno Municipal Sanitary Landfill	Fresno	*Proposed*
GBF, Inc. Dump	Antioch	*Proposed*
George Air Force Base	Victorville	*Proposed*
Hewlett-Packard	Palo Alto	*Proposed*
Hewlett-Packard (620-640 Page Mill Road)	Palo Alto	*Proposed*
Hexcel Corp.	Livermore	*Proposed*
IBM Corp. (San Jose Plant)	San Jose	*Proposed*
Intel Corp. (Mountain View Plant)	Mountain View	
Intel Corp. (Santa Clara III)	Santa Clara	
Intel Magnetics	Santa Clara	
Intersil Inc./Siemens Components	Cupertino	*Proposed*
Iron Mountain Mine	Redding	
J.H. Baxter & Co.	Weed	*Proposed*
Jasco Chemical Corp.	Mountain View	*Proposed*
Jibboom Junkyard	Sacramento	
Kaiser Steel Corp. (Fontana Plant)	Fontana	*Proposed*
Kearney-KPF	Stockton	*Proposed*
Koppers Co., Inc., (Oroville Plant)	Oroville	
Lawrence Livermore National Laboratory (USDOE)	Livermore	
Liquid Gold Oil Corp.	Richmond	
Lorentz Barrel & Drum Co.	San Jose	*Proposed*
Louisiana-Pacific Corp.	Oroville	
March Air Force Base	Riverside	*Proposed*
Marley Cooling Tower Co.	Stockton	*Proposed*
Mather Air Force Base (AC & W Disposal Site)	Sacramento	
McClellan Air Force Base (Ground Water Contamination)	Sacramento	
McColl	Fullerton	
MGM Brakes	Cloverdale	
Modesto Ground Water Contamination	Modesto	
Moffett Naval Air Station	Sunnyvale	
Monolithic Memories	Sunnyvale	
Montrose Chemical Corp.	Torrance	*Proposed*
National Semiconductor Corp.	Santa Clara	
Newmark Ground Water Contamination	San Bernardino	
Norton Air Force Base	San Bernardino	
Operating Industries, Inc., Landfill	Monterey Park	
Pacific Coast Pipe Lines	Fillmore	*Proposed*
Purity Oil Sales, Inc.	Malaga	
Raytheon Corp.	Mountain View	
Rhone-Poulenc, Inc./Zoecon Corp.	East Palo Alto	*Proposed*
Riverbank Army Depot	Riverbank	*Proposed*
Sacramento Army Depot	Sacramento	
San Fernando Valley (Area 1)	Los Angeles	
San Fernando Valley (Area 2)	Los Angeles/Glendale	
San Fernando Valley (Area 3)	Glendale	
San Fernando Valley (Area 4)	Los Angeles	
San Gabriel Valley (Area 1)	El Monte	
San Gabriel Valley (Area 2)	Baldwin Park Area	
San Gabriel Valley (Area 3)	Alhambra	
San Gabriel Valley (Area 4)	La Puente	
Selma Treating Co.	Selma	
Sharpe Army Depot	Lathrop	
Signetics, Inc.	Sunnyvale	*Proposed*
Sola Optical USA, Inc.	Petaluma	*Proposed*
Solvent Service, Inc.	San Jose	*Proposed*
South Bay Asbestos Area	Alviso	
Southern California Edison Co. (Visalia Poleyard)	Visalia	
Southern Pacific Transportation	Roseville	*Proposed*
Spectra-Physics, Inc.	Mountain View	*Proposed*
Stringfellow	Glen Avon Heights	
Sulphur Bank Mercury Mine	Clear Lake	*Proposed*
Synertek, Inc. (Building 1)	Santa Clara	*Proposed*
T.H. Agriculture & Nutrition Co.	Fresno	
Teledyne Semiconductor	Mountain View	
Tracy Defense Depot	Tracy	*Proposed*
Travis Air Force Base	Solano County	*Proposed*
Treasure Island Naval Station	San Francisco	*Proposed*
TRW Microwave, Inc. (Building 825)	Sunnyvale	*Proposed*
Valley Wood Preserving, Inc.	Turlock	
Van Waters & Rogers, Inc.	San Jose	*Proposed*
Waste Disposal, Inc.	Santa Fe Springs	
Watkins-Johnson Co. (Stewart Division)	Scotts Valley	*Proposed*
Westinghouse Electric Corp. (Sunnyvale Plant)	Sunnyvale	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

COLORADO Infrastructure Facts

***Colorado's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Colorado's infrastructure needs.**

CLEAN WATER NEEDS IN COLORADO

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN COLORADO, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$56	$66	$2	$7	$4	$28	0	$163
Needs (with population growth)	75	69	2	7	4	39	0	196

U.S. Environmental Protection Agency

- Over just the next five years, 61 projects must be built for Colorado's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $100.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). This is in addition to 1 project required at a cost of $0.3 million to bring Colorado into compliance initially.

HAZARDOUS WASTE SITES IN COLORADO

- In Colorado 1.50 million metric tons of hazardous waste were generated in 1986 -- 0.6% of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 13 Colorado sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in Colorado (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN COLORADO

Site Name	City/County	
Air Force Plant PJKS	Waterton	*Proposed*
Broderick Wood Products	Denver	
California Gulch	Leadville	
Central City-Clear Creek	Idaho Springs	
Chemical Sales Co.	Denver	*Proposed*
Denver Radium Site	Denver	
Eagle Mine	Minturn/Redcliff	
Lincoln Park	Canon City	
Lowry Landfill	Arapahoe County	
Marshall Landfill	Boulder County	
Martin-Marietta (Denver Aerospace)	Waterton	*Proposed*
Rocky Flats Plant (USDOE)	Golden	*Proposed*
Rocky Mountain Arsenal	Adams County	
Sand Creek Industrial	Commerce City	
Smuggler Mountain	Pitkin County	
Uravan Uranium Project (Union Carbide Corp.)	Uravan	
Woodbury Chemical Co.	Commerce City	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN COLORADO

- In Colorado, 8 percent, or 1,033 miles, of all paved rural highway miles in the state are roads rated as deficient in 1988 under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 10,449 miles in the state are unpaved rural roads.
- Nine percent, or 309 miles, of urban highways and streets in Colorado are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 36 percent of Colorado's road and street mileage, but carry over 84 percent of the state's travel.

COLORADO'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	43	3	46	698	300	1,090
1988	43	2	13	618	357	1,033

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	12	None	86	136	175	409
1988	16	None	66	97	130	309

Federal Highway Administration

COLORADO'S DEFICIENT BRIDGES

- Colorado has a total of 7,511 bridges, of which 2,580 (34 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Seventeen percent of Colorado's highway bridges on the federal-aid system are deficient, as are 51 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN COLORADO - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	3,610	456	151	607	17
On State or Local Roads	3,901	1,663	310	1,973	51
COLORADO TOTAL	7,511	2,119	461	2,580	34

Highway Bridge Replacement and Rehabilitation Program, 1990.

COLORADO'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

COLORADO AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$451.6	$3,376.9

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

CONNECTICUT Infrastructure Facts

Connecticut's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Connecticut's infrastructure needs.

CLEAN WATER NEEDS IN CONNECTICUT

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN CONNECTICUT, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$270	$102	$25	$16	$287	$175	$392	$1,267
Needs (with population growth)	294	127	25	16	333	205	392	1,392

U.S. Environmental Protection Agency

- Over just the next five years, 5 projects must be built to bring Connecticut's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $120.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 55 **additional** projects must be funded at a cost of $720.0 million.

HAZARDOUS WASTE SITES IN CONNECTICUT

- In Connecticut 4.04 million metric tons of hazardous waste were generated in 1986 -- 1.6 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 8 Connecticut sites on the National Priorities List for Superfund cleanup. An additional 6 sites located in Connecticut (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN CONNECTICUT

Site Name	City/County	
Barkhamsted-New Hartford Landfill	**Barkhamsted**	***Proposed***
Beacon Heights Landfill	**Beacon Falls**	
Cheshire Associates Property	**Cheshire**	***Proposed***
Durham Meadows	**Durham**	***Proposed***
Gallup's Quarry	**Plainfield**	***Proposed***
Kellogg-Deering Well Field	**Norwalk**	
Laurel Park, Inc.	**Naugatuck Borough**	
Linemaster Switch Corp.	**Woodstock**	***Proposed***
Nutmeg Valley Road	**Wolcott**	
Old Southington Landfill	**Southington**	
Precision Plating Corp.	**Vernon**	***Proposed***
Revere Textile Prints Corp.	**Sterling**	
Solvents Recovery Service of New England	**Southington**	
Yaworski Waste Lagoon	**Canterbury**	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN CONNECTICUT

- In Connecticut, 11 percent, or 324 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 5 miles in the states are unpaved rural roads.
- Three percent, or 138 miles, of urban highways and streets in Connecticut are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 35 percent of Connecticut's road and street mileage, but carry over 89 percent of the state's travel.

CONNECTICUT'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	1	2	8	148	167	326
1988	None	2	8	146	168	324

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	4	3	14	66	47	134
1988	6	4	14	59	55	138

Federal Highway Administration

CONNECTICUT'S DEFICIENT BRIDGES

- Connecticut has a total of 3,836 bridges, of which 2,364 (62 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Sixty-three percent of Connecticut's highway bridges on the federal-aid system are deficient, as are 59 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN CONNECTICUT - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	2,649	628	1,036	1,664	63
On State or Local Roads	1,187	313	387	700	59
CONNECTICUT TOTAL	3,836	941	1,423	2,364	62

Highway Bridge Replacement and Rehabilitation Program, 1990.

CONNECTICUT'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

CONNECTICUT AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$27.5	$30.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

DELAWARE Infrastructure Facts

***Delaware's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Delaware's infrastructure needs.**

CLEAN WATER NEEDS IN DELAWARE

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN DELAWARE, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$39	$2	0	0	$26	$14	$1	$82
Needs (with population growth)	48	2	0	0	43	33	1	127

U.S. Environmental Protection Agency

HAZARDOUS WASTE SITES IN DELAWARE

- In Delaware 883,900 metric tons of hazardous waste were generated in 1986 -- 0.3 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 12 Delaware sites on the National Priorities List for Superfund cleanup. An additional 8 sites located in Delaware (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN DELAWARE

Site Name	City/County	
Army Creek Landfill	New Castle County	
Chem-Solv, Inc.	Cheswold	*Proposed*
Coker's Sanitation Service Landfills	Kent County	
Delaware City PVC Plant	Delaware City	
Delaware Sand & Gravel Landfill	New Castle County	
Dover Air Force Base	Dover	
Dover Gas Light Co.	Dover	*Proposed*
E.I. Du Pont de Nemours & Co., Inc.	Newport	*Proposed*
Halby Chemical Co.	New Castle	
Harvey & Knott Drum, Inc.	Kirkwood	
Kent County Landfill (Houston)	Houston	*Proposed*
NCR Corp. (Millsboro Plant)	Millsboro	
New Castle Spill	New Castle County	
Pigeon Point Landfill	New Castle	*Proposed*
Sealand Limited	Mount Pleasant	*Proposed*
Standard Chlorine of Delaware, Inc.	Delaware City	
Sussex County Landfill No. 5	Laurel	*Proposed*
Tybouts Corner Landfill	New Castle County	
Tyler Refrigeration Pit	Smyrna	*Proposed*
Wildcat Landfill	Dover	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN DELAWARE

- In Delaware, 13 percent, or 146 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.

- Seven percent, or 32 miles, of urban highways and streets in Delaware are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 9 percent Delaware's road and street mileage, but carry over 84 percent of the state's travel.

DELAWARE'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	11	15	78	46	150
1988	None	8	20	76	42	146

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	None	9	6	3	18
1988	None	None	12	5	15	32

Federal Highway Administration

DELAWARE'S DEFICIENT BRIDGES

- Delaware has a total of 738 bridges, of which 176 (24 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Fifteen percent of Delaware's highway bridges on the federal-aid system are deficient, as are 39 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN DELAWARE - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	476	44	29	73	15
On State or Local Roads	262	32	71	103	39
DELAWARE TOTAL	738	76	100	176	24

Highway Bridge Replacement and Rehabilitation Program, 1990.

DELAWARE'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

DELAWARE AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$10.0	$3.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

FLORIDA Infrastructure Facts

Florida's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Florida's infrastructure needs.

CLEAN WATER NEEDS IN FLORIDA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN FLORIDA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$907	$252	$42	$24	$2,150	$607	$2	$3,984
Needs (with population growth)	1,961	466	42	24	2,397	1,294	2	6,186

U.S. Environmental Protection Agency

- Over just the next five years, 115 projects must be built for Florida's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $781.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN FLORIDA

- In Florida, 12 percent, or 2,005 miles, of paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 305 miles in the state are unpaved.
- Six percent, or 611 miles, of urban highways and streets in Florida are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 26 percent of Florida's road and street mileage, but carry over 77 percent of the state's travel.

FLORIDA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	88	63	11	799	1,062	2,023
1988	80	65	11	813	1,036	2,005

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	3	None	24	95	476	598
1988	3	None	26	95	487	611

Federal Highway Administration

FLORIDA'S DEFICIENT BRIDGES

- Florida has a total of 10,291 bridges, of which 2,084 (20 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Seventeen percent of Florida's highway bridges on the federal-aid system are deficient, as are 26 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN FLORIDA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	6,188	124	907	1,031	17
On State or Local Roads	4,103	288	765	1,053	26
FLORIDA TOTAL	10,291	412	1,672	2,084	20

Highway Bridge Replacement and Rehabilitation Program, 1990.

FLORIDA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

FLORIDA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$959.9	$395.2

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN FLORIDA

- In Florida 2.84 million metric tons of hazardous waste were generated in 1986 -- 1.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 32 Florida sites on the National Priorities List for Superfund cleanup. An additional 19 sites located in Florida (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN FLORIDA

Site Name	City/County	
Agrico Chemical Co.	Pensacola	*Proposed*
Airco Plating Co.	Miami	*Proposed*
Alpha Chemical Corp.	Galloway	
American Creosote Works, Inc. (Pensacola Plant)	Pensacola	
Anodyne, Inc.	North Miami Beach	*Proposed*
B&B Chemical Co., Inc.	Hialeah	*Proposed*
Beulah Landfill	Pensacola	*Proposed*
BMI-Textron	Lake Park	*Proposed*
Brown Wood Preserving	Live Oak	
Cabot/Koppers	Gainesville	
Cecil Field Naval Air Station	Jacksonville	*Proposed*
Chemform, Inc.	Pompano Beach	*Proposed*
City Industries, Inc.	Orlando	*Proposed*
Coleman-Evans Wood Preserving Co.	Whitehouse	
Davie Landfill	Davie	
Dubose Oil Products Co.	Cantonment	
Florida Steel Corp.	Indiantown	
Gold Coast Oil Corp.	Miami	
Harris Corp. (Palm Bay Plant)	Palm Bay	
Hipps Road Landfill	Duval County	
Hollingsworth Solderless Terminal	Fort Lauderdale	
Homestead Air Force Base	Homestead	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN FLORIDA (Continued)

Site Name	City/County	
Jacksonville Naval Air Station	Jacksonville	*Proposed*
Kassauf-Kimmerling Battery Disposal	Tampa	
Madison County Sanitary Landfill	Madison	*Proposed*
Miami Drum Services	Miami	
Munisport Landfill	North Miami	
Peak Oil Co./Bay Drum Co.	Tampa	
Pensacola Naval Air Station	Pensacola	*Proposed*
Pepper Steel & Alloys, Inc.	Medley	
Petroleum Products Corp.	Pembroke Park	
Pickettville Road Landfill	Jacksonville	
Pioneer Sand Co.	Warrington	
Piper Aircraft/Vero Beach Water & Sewer Department	Vero Beach	*Proposed*
Pratt & Whitney Aircraft/United Technologies Corp.	West Palm Beach	*Proposed*
Reeves Southeast Galvanizing Corp.	Tampa	
Sapp Battery Salvage	Cottondale	
Schuylkill Metals Corp.	Plant City	
Sherwood Medical Industries	Deland	
Sixty-Second Street Dump	Tampa	
Standard Auto Bumper Corp.	Hialeah	*Proposed*
Sydney Mine Sludge Ponds	Brandon	*Proposed*
Taylor Road Landfill	Seffner	
Tower Chemical Co.	Clermont	
Whitehouse Oil Plant	Whitehouse	
Wilson Concepts of Florida, Inc.	Pompano Beach	
Wingate Road Municipal Incinerator Dump	Fort Lauderdale	*Proposed*
Woodbury Chemical Co. (Princeton Plant)	Princeton	*Proposed*
Yellow Water Road Dump	Baldwin	
Zellwood Ground Water Contamination	Zellwood	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

GEORGIA Infrastructure Facts

Georgia's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are [illegible] are in a deteriorating condition. Here is a sampling of Georgia's infrastructure needs.

CLEAN WATER NEEDS IN GEORGIA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN GEORGIA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$169	$89	$44	$26	$56	$151	$80	$615
Needs (with population growth)	307	129	44	26	82	339	80	1007

U.S. Environmental Protection Agency

- Over just the next five years, 151 projects must be built for Georgia's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $627.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN GEORGIA

- In Georgia 3.24 million metric tons of hazardous waste were generated in 1986 -- 1.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 7 Georgia sites on the National Priorities List for Superfund cleanup. An additional 7 sites located in Georgia (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN GEORGIA

Site Name	City/County	
Cedartown Industries Inc.	Cedartown	*Proposed*
Cedartown Municipal Landfill	Cedartown	
Diamond Shamrock Corp. Landfill	Cedartown	*Proposed*
Firestone Tire & Rubber Co. (Albany Plant)	Albany	*Proposed*
Hercules 009 Landfill	Brunswick	
Marine Corps Logistics Base	Albany	*Proposed*
Marzone Inc./Chevron Chemical Co.	Tifton	*Proposed*
Mathis Brothers Landfill (South Marble Top Road)	Kensington	
Monsanto Corp. (Augusta Plant)	Augusta	
Olin Corp. (Areas 1,2 & 4)	Augusta	*Proposed*
Powersville Site	Peach County	
Robins Air Force Base (Landfill #4 Sludge Lagoon)	Houston County	
T.H. Agriculture & Nutrition Co. (Albany Plant)	Albany	
Woolfolk Chemical Works, Inc.	Fort Valley	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN GEORGIA

- In Georgia, 14 percent, or 4,002 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,793 miles in the state are unpaved rural roads.

- Ten percent, or 572 miles, of urban highways and streets in Georgia are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 34 percent of Georgia's road and street mileage, but carry over 85 percent of the state's travel.

GEORGIA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	152	174	693	1,638	1,103	3,760
1988	127	177	698	1,682	1,318	4,002

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	34	9	36	198	210	487
1988	24	18	28	254	248	572

Federal Highway Administration

GEORGIA'S DEFICIENT BRIDGES

- Georgia has a total of 14,205 bridges, of which 5,738 (40 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-three percent of Georgia's highway bridges on the federal-aid system are deficient, as are 50 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN GEORGIA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	8,072	818	1,884	2,702	33
On State or Local Roads	6,133	2,518	518	3,036	50
GEORGIA TOTAL	14,205	3,336	2,402	5,738	40

Highway Bridge Replacement and Rehabilitation Program, 1990.

GEORGIA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

GEORGIA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$450.6	$315.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAWAII Infrastructure Facts

Hawaii's infrastructure is the network of public facilities – roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works – that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs or are in a deteriorating condition. Here is a sampling of Hawaii's infrastructure needs.

CLEAN WATER NEEDS IN HAWAII

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN HAWAII, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$97	$3	0	0	$92	$44	0	$236
Needs (with population growth)	170	4	0	0	138	101	0	413

U.S. Environmental Protection Agency

- Over just the next **five** years, 2 projects must be built to bring Hawaii's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $134.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 212 **additional** projects must be funded at a cost of $1,091.6 million.

HAZARDOUS WASTE SITES IN HAWAII

- In Hawaii 173,600 metric tons of hazardous waste were generated in 1986 – 0.1 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has not yet placed any Hawaiian sites on the National Priorities List for Superfund cleanup. However, 7 sites located in Hawaii (listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN HAWAII

Site Name	City/County	
Kunia Wells I	Oahu	*Proposed*
Kunia Wells II	Oahu	*Proposed*
Mililani Wells	Oahu	*Proposed*
Schofield Barracks	Oahu	*Proposed*
Waiawa Shaft	Oahu	*Proposed*
Waipahu Wells	Oahu	*Proposed*
Waipio Heights Wells II	Oahu	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN HAWAII

- In Hawaii, 14 percent, or 141 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.
- Eight percent, or 40 miles, of urban highways and streets in Hawaii are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 36 percent of Hawaii's road and street mileage, but carry over 77 percent of the state's travel.

HAWAII'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	None	18	101	38	157
1988	None	None	22	98	21	141

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	None	4	11	19	34
1988	None	None	5	14	21	40

Federal Highway Administration

HAWAII'S DEFICIENT BRIDGES

- Hawaii has a total of 1,042 bridges, of which 269 (26 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Twenty-three percent of Hawaii's highway bridges on the federal-aid system are deficient, as are 31 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN HAWAII - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	667	83	70	153	23
On State or Local Roads	375	30	86	116	31
HAWAII TOTAL	1,042	113	156	269	26

Highway Bridge Replacement and Rehabilitation Program, 1990.

HAWAII'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

HAWAII AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$106.2	$71.2

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

IDAHO Infrastructure Facts

Idaho's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current [illegible] are in a deteriorating condition. Here is a sampling of Idaho's infrastructure [illegible]

CLEAN WATER NEEDS IN IDAHO

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN IDAHO, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$28	$3	$5	$3	$15	$10	$1	$65
Needs (with population growth)	65	8	5	3	22	20	1	124

U.S. Environmental Protection Agency

- Over just the next five years, 4 projects must be built to bring Idaho's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $1.7 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 21 additional projects must be funded at a cost of $61.2 million.

HAZARDOUS WASTE SITES IN IDAHO

- In Idaho 1.29 million metric tons of hazardous waste were generated in 1986 -- 0.5 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 4 Idaho sites on the National Priorities List for Superfund cleanup. An additional 5 sites located in Idaho (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN IDAHO

Site Name	City/County	
Arrcom (Drexler Enterprises)	Rathdrum	
Bunker Hill Mining & Metallurgical	Smelterville	
Eastern Michaud Flats Contamination	Pocatello	*Proposed*
Idaho National Engineering Laboratory (U.S. DOE)	Idaho Falls	*Proposed*
Kerr-McGee Chemical Corp. (Soda Springs Plant)	Soda Springs	*Proposed*
Monsanto Chemical Co. (Soda Springs Plant)	Soda Springs	*Proposed*
Mountain Home Air Force Base	Mountain View	*Proposed*
Pacific Hide & Fur Recycling Co.	Pocatello	
Union Pacific Railroad Co.	Pocatello	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN IDAHO

- In Idaho, 23 percent, or 1,901 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 3,491 miles in the state are unpaved.

- Seventeen percent, or 171 miles, of urban highways and streets in Idaho are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 21 percent of Idaho's road and street mileage, but carry 87 percent of the state's travel.

IDAHO'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	83	176	135	880	760	2,034
1988	83	174	140	883	621	1,901

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	10	None	16	40	116	182
1988	10	None	15	37	109	171

Federal Highway Administration

IDAHO'S DEFICIENT BRIDGES

- Idaho has a total of 3,717 bridges, of which 529 (28 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Fourteen percent of Idaho's highway bridges on the federal-aid system are deficient, as are 40 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN IDAHO - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,680	158	70	228	14
On State or Local Roads	2,037	371	452	823	40
IDAHO TOTAL	3,717	529	522	1,051	28

Highway Bridge Replacement and Rehabilitation Program, 1990.

IDAHO'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

IDAHO AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$28.1	$46.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

ILLINOIS Infrastructure Facts

***Illinois' infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Illinois' infrastructure needs.**

CLEAN WATER NEEDS IN ILLINOIS

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN ILLINOIS, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$362	$263	$81	$39	$92	$237	$1,690	$2,764
Needs (with population growth)	475	284	81	39	108	281	1,690	2,958

U.S. Environmental Protection Agency

- Over just the next five years, 760 projects must be built for Illinois' municipalities to **remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $1,700.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN ILLINOIS

- In Illinois, 5 percent, or 1,217 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,688 miles in the state are unpaved rural roads.

- Five percent, or 446 miles, of urban highways and streets in Illinois are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 27 percent of Illinois' road and street mileage, but carry over 86 percent of the state's travel.

ILLINOIS' DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	48	2	188	787	213	1,238
1988	67	21	221	806	102	1,217

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	43	None	41	96	190	370
1988	31	4	51	113	247	446

Federal Highway Administration

ILLINOIS' DEFICIENT BRIDGES

- Illinois has a total of 25,572 bridges, of which 7,126 (28 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Twenty percent of Illinois' highway bridges on the federal-aid system are deficient, as are 33 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN ILLINOIS - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	10,760	1,728	463	2,191	20
On State or Local Roads	14,812	3,460	1,475	4,935	33
ILLINOIS TOTAL	25,572	5,188	1,938	7,126	28

Highway Bridge Replacement and Rehabilitation Program, 1990.

ILLINOIS' AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

ILLINOIS AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$885.1	$300.6

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN ILLINOIS

- In Illinois 15.34 million metric tons of hazardous waste were generated in 1986 -- 5.9 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 23 Illinois sites on the National Priorities List for Superfund cleanup. An additional 16 sites located in Illinois (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN ILLINOIS

Site Name	City/County	
A & F Material Reclaiming, Inc.	Greenup	
Acme Solvent Reclaiming, Inc. (Morristown Plant)	Morristown	
Adams County Quincy Landfills 2&3	Quincy	*Proposed*
Amoco Chemicals (Joliet Landfill)	Joliet	*Proposed*
Beloit Corp.	Rockton	*Proposed*
Belvidere Municipal Landfill	Belvidere	
Byron Salvage Yard	Byron	
Central Illinois Public Service Co.	Taylorville	*Proposed*
Cross Brothers Pail Recycling (Pembroke)	Pembroke Township	
DuPage County Landfill/Blackwell Forest Preserve	Warrenville	*Proposed*
Galesburg/Koppers Co.	Galesburg	
H.O.D. Landfill	Antioch	*Proposed*
Ilada Energy Co.	East Cape Girardeau	*Proposed*
Interstate Pollution Control, Inc.	Rockford	
Johns-Manville Corp.	Waukegan	
Joliet Army Ammunition Plant (Load-Assembly-Packing Area)	Joliet	
Joliet Army Ammunition Plant (Manufacturing Area)	Joliet	
Kerr-McGee (Kress Creek/West Branch of DuPage River)	DuPage County	*Proposed*
Kerr-McGee (Reed-Keppler Park)	West Chicago	*Proposed*
Kerr-McGee (Residential Areas)	West Chicago, DuPage County	*Proposed*
Kerr-McGee (Sewage Treatment Plant)	West Chicago	*Proposed*
LaSalle Electric Utilities	LaSalle	
Lenz Oil Service, Inc.	Lemont	*Proposed*
NL Industries/Taracorp Lead Smelter	Granite City	
Outboard Marine Corp.	Waukegan	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN CALIFORNIA (Continued)

Site Name	City/County	
Pagel's Pit	Rockford	
Parsons Casket Hardware Co.	Belvidere	
Petersen Sand & Gravel	Libertyville	
Sangamo Electric Dump/Crab Orchard National Wildlife Refuge	Carterville	
Savanna Army Depot Activity	Savanna	
Sheffield (U.S. Ecology, Inc.)	Sheffield	*Proposed*
Southeast Rockford Ground Water Contamination	Rockford	
Stauffer Chemical Co. (Chicago Heights Plant)	Chicago Heights	*Proposed*
Tri-County Landfill Co./Waste Management of Illinois, Inc.	South Elgin	
Velsicol Chemical (Illinois)	Marshall	
Warner Electric Brake & Clutch Co.	Roscoe	*Proposed*
Wauconda Sand & Gravel	Wauconda	
Woodstock Municipal Landfill	Woodstock	*Proposed*
Yeoman Creek Landfill	Waukegan	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

INDIANA Infrastructure Facts

Indiana's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Indiana's infrastructure needs.

CLEAN WATER NEEDS IN INDIANA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN INDIANA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$184	$102	$48	$10	$190	$104	$944	$1,582
Needs (with population growth)	224	113	48	10	259	123	944	1,721

U.S. Environmental Protection Agency

- Over just the next five years, 84 projects must be built for Indiana's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $264.5 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN INDIANA

- In Indiana, 15 percent, or 3,522 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,319 miles in the state are unpaved rural roads.
- Nine percent, or 541 miles, of urban highways and streets in Indiana are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 27 percent of Indiana's road and street mileage, but carry over 89 percent of the state's travel.

INDIANA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	45	11	12	628	3,302	3,998
1988	52	13	22	507	2,928	3,522

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	13	7	54	329	385	788
1988	9	6	38	226	262	541

Federal Highway Administration

INDIANA'S DEFICIENT BRIDGES

- Indiana has a total of 17,524 bridges, of which 6,891 (39 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-eight percent of Indiana's highway bridges on the federal-aid system are deficient, as are 47 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN INDIANA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	7,310	763	1,294	2,057	28
On State or Local Roads	10,214	2,859	1,975	4,834	47
INDIANA TOTAL	17,524	3,622	3,269	6,891	39

Highway Bridge Replacement and Rehabilitation Program, 1990.

INDIANA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

INDIANA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$269.9	$161.5

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN INDIANA

- In Indiana 9.61 million metric tons of hazardous waste were generated in 1986 -- 3.7 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 30 Indiana sites on the National Priorities List for Superfund cleanup. An additional 7 sites located in Indiana (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN INDIANA

Site Name	City/County	
American Chemical Service, Inc.	Griffith	
Bennett Stone Quarry	Bloomington	
Carter Lee Lumber Co.	Indianapolis	
Columbus Old Municipal Landfill #1	Columbus	
Conrail Rail Yard (Elkhart)	Elkhart	*Proposed*
Continental Steel Corp.	Kokomo	
Douglass Road/Uniroyal, Inc., Landfill	Mishawaka	
Envirochem Corp.	Zionsville	
Firestone Industrial Products Co.	Noblesville	*Proposed*
Fisher-Calo	LaPorte	
Fort Wayne Reduction Dump	Fort Wayne	
Galen Myers Dump/Drum Salvage	Osceola	
Himco, Inc., Dump	Elkhart	*Proposed*
International Minerals & Chemical Corp. (Terre Haute East Plant)	Terre Haute	
Lake Sandy Jo (M&M Landfill)	Gary	
Lakeland Disposal Service, Inc.	Claypool	
Lemon Lane Landfill	Bloomington	
Main Street Well Field	Elkhart	
Marion (Bragg) Dump	Marion	
McCarty's Bald Knob Landfill	Mt. Vernon	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN INDIANA (Continued)

Site Name	City/County	
MIDCO I	Gary	
MIDCO II	Gary	
Neal's Dump (Spencer)	Spencer	
Neal's Landfill (Bloomington)	Bloomington	
Ninth Avenue Dump	Gary	
Northside Sanitary Landfill, Inc.	Zionsville	
Poer Farm	Hancock County	
Prestolite Battery Division	Vincennes	*Proposed*
Reilly Tar & Chemical Corp. (Indianapolis Plant)	Indianapolis	
Seymour Recycling Corp.	Seymour	
Southside Sanitary Landfill	Indianapolis	
Tippecanoe Sanitary Landfill, Inc.	Lafayette	*Proposed*
Tri-State Plating	Columbus	
Waste, Inc., Landfill	Michigan City	
Wayne Waste Oil	Columbia City	
Wedzeb Enterprises, Inc.	Lebanon	
Whiteford Sales & Service/Nationalease	South Bend	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

IOWA Infrastructure Facts

Iowa's infrastructure is the network of public facilities – roads, bridges, public buildings, prisons, sewer and wastewater treatment facilities, water supply facilities, dams, and other public works – that Americans rely on every day to provide the [illegible] for [illegible] activity and our quality of life. Many of these facilities are [illegible] condition. Here is a summary of Iowa's infrastructure needs.

CLEAN WATER NEEDS IN IOWA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN IOWA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$221	$51	$50	$2	$38	$144	$5	$511
Needs (with population growth)	256	55	50	2	42	236	5	646

U.S. Environmental Protection Agency

- Over just the next five years, 20 projects must be built to bring Iowa's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $20.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 50 additional projects must be funded at a cost of $50.0 million.

HIGHWAY NEEDS IN IOWA

- In Iowa, 2 percent, or 620 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 13,499 miles in the state are unpaved rural roads.

- Twelve percent, or 392 miles, of urban highways and streets in Iowa are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 37 percent of Iowa's road and street mileage, but carry over 87 percent of the state's travel.

IOWA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	86	143	270	156	56	711
1988	61	83	241	113	122	620

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	30	None	309	71	75	485
1988	15	None	235	58	84	392

Federal Highway Administration

IOWA'S DEFICIENT BRIDGES

- Iowa has a total of 25,708 bridges, of which 11,943 (47 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-five percent of Iowa's highway bridges on the federal-aid system are deficient, as are 55 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN IOWA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	7,220	703	1,107	1,810	25
On State or Local Roads	18,488	5,078	5,055	10,133	55
IOWA TOTAL	25,708	5,781	6,162	11,943	47

Highway Bridge Replacement and Rehabilitation Program, 1990.

IOWA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

IOWA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$166.9	$39.3

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN IOWA

- In Iowa 1.85 million metric tons of hazardous waste were generated in 1986 -- 0.7 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 9 Iowa sites on the National Priorities List for Superfund cleanup. An additional 16 sites located in Iowa (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN IOWA

Site Name	City/County	
A.Y. McDonald Industries, Inc.	Dubuque	*Proposed*
Aidex Corp.	Council Bluffs	
Chemplex Co.	Clinton/Camanche	*Proposed*
Des Moines TCE	Des Moines	
E.I. Du Pont de Nemours & Co., Inc. (County Road X23)	West Point	*Proposed*
Electro-Coatings, Inc.	Cedar Rapids	*Proposed*
Fairfield Coal Gasification Plant	Fairfield	*Proposed*
Farmers' Mutual Cooperative	Hospers	*Proposed*
Frit Industries (Humboldt Plant)	Humboldt	*Proposed*
Iowa Army Ammunitions Plant	Middletown	*Proposed*
John Deere (Dubuque Works)	Dubuque	*Proposed*
John Deere (Ottumwa Works Landfills)	Ottumwa	*Proposed*
LaBounty Site	Charles City	
Lawrence Todtz Farm	Camanche	
Lehigh Portland Cement Co.	Mason City	*Proposed*
Mid-America Tanning Co.	Sergeant Bluff	
Midwest Manufacturing/North Farm	Kellogg	
Northwestern States Portland Cement Co.	Mason City	*Proposed*
Peoples Natural Gas Co.	Dubuque	*Proposed*
Red Oak City Landfill	Red Oak	
Shaw Avenue Dump	Charles City	
Sheller-Globe Corp. Disposal	Keokuk	*Proposed*
U.S. Nameplate Co.	Mount Vernon	*Proposed*
Vogel Paint & Wax Co.	Orange City	
White Farm Equipment Co. Dump	Charles City	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

KANSAS Infrastructure Facts

Kansas's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Kansas's infrastructure needs.

CLEAN WATER NEEDS IN KANSAS

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN KANSAS, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$123	$2	$82	$56	$43	$164	$15	$485
Needs (with population growth)	190	3	82	56	46	328	15	720

U.S. Environmental Protection Agency

- Over just the next five years, 17 projects must be built for Kansas's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $250.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN KANSAS

- In Kansas 2.47 million metric tons of hazardous waste were generated in 1986 -- 1.0 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 9 Kansas sites on the National Priorities List for Superfund cleanup. An additional 3 sites located in Kansas (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN KANSAS

Site Name	City/County	
29th & Mead Ground Water Contamination	Wichita	*Proposed*
Arkansas City Dump	Arkansas City	
Big River Sand Co.	Wichita	
Cherokee County	Cherokee County	
Doepke Disposal (Holliday)	Johnson County	
Fort Riley	Junction City	*Proposed*
Hydro-Flex Inc.	Topeka	
Johns' Sludge Pond	Wichita	
National Industrial Environmental Services	Furley	*Proposed*
Obee Road	Hutchinson	
Pester Refinery Co.	El Dorado	
Strother Field Industrial Park	Cowley County	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN KANSAS

- In Kansas, 14 percent, or 2,750 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 20,431 miles in the state are unpaved rural roads.
- Twenty-two percent, or 558 miles, of urban highways and streets in Kansas are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 32 percent of Kansas' road and street mileage, but carry over 86 percent of the state's travel.

KANSAS' DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	80	35	58	2,450	164	2,787
1988	40	36	7	2,466	201	2,750

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	16	11	72	268	277	644
1988	35	10	37	245	231	558

Federal Highway Administration

KANSAS' DEFICIENT BRIDGES

- Kansas has a total of 25,632 bridges, of which 12,455 (49 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Twenty-nine percent of Kansas's highway bridges on the federal-aid system are deficient, as are 63 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN KANSAS - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	10,787	679	2,464	3,143	29
On State or Local Roads	14,845	4,440	4,872	9,312	63
KANSAS TOTAL	25,632	5,119	7,336	12,455	49

Highway Bridge Replacement and Rehabilitation Program, 1990.

KANSAS' AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

KANSAS AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$202.9	$72.9

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

KENTUCKY Infrastructure Facts

Kentucky's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Kentucky's infrastructure needs.

CLEAN WATER NEEDS IN KENTUCKY

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN KENTUCKY, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$137	$50	$78	$12	$544	$264	$23	$1,108
Needs (with population growth)	185	60	78	12	671	428	23	1,457

U.S. Environmental Protection Agency

- Over just the next five years, 34 projects must be built to bring Kentucky's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $61.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 97 additional projects must be funded at a cost of $287.3 million.

HAZARDOUS WASTE SITES IN KENTUCKY

- In Kentucky 4.59 million metric tons of hazardous waste were generated in 1986 -- 1.8 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 12 Kentucky sites on the National Priorities List for Superfund cleanup. An additional 5 sites located in Kentucky (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN KENTUCKY

Site Name	City/County	
A.L. Taylor (Valley of Drums)	Brooks	
Airco	Calvert City	
B.F. Goodrich	Calvert City	
Brantley Landfill	Island	*Proposed*
Caldwell Lace Leather Co., Inc.	Auburn	*Proposed*
Distler Brickyard	West Point	
Distler Farm	Jefferson County	
Fort Hartford Coal Co. Stone Quarry	Olaton	*Proposed*
General Tire & Rubber Co. (Mayfield Landfill)	Mayfield	*Proposed*
Green River Disposal, Inc.	Maceo	*Proposed*
Howe Valley Landfill	Howe Valley	
Lee's Lane Landfill	Louisville	
Maxey Flats Nuclear Disposal	Hillsboro	
Newport Dump	Newport	
Red Penn Sanitation Co. Landfill	Peewee Valley	
Smith's Farm	Brooks	
Tri-City Disposal Co.	Shepherdsville	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN KENTUCKY

- In Kentucky, 10 percent, or 1,944 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 28 miles are unpaved.
- Sixteen percent, or 428 miles, of urban highways and streets in Kentucky are rated **deficient**.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 33 percent of Kentucky's road and street mileage, but carry over 88 percent of the state's travel.

KENTUCKY'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	4	10	62	408	2,371	2,855
1988	1	28	92	440	1,433	1,994

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	17	1	49	94	216	377
1988	32	5	40	109	242	428

Federal Highway Administration

KENTUCKY'S DEFICIENT BRIDGES

- Kentucky has a total of 12,684 bridges, of which 7,327 (58 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Forty-three percent of Kentucky's highway bridges on the federal-aid system are deficient, as are 67 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN KENTUCKY - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	4,993	225	1,922	2,147	43
On State or Local Roads	7,691	1,828	3,352	5,180	67
KENTUCKY TOTAL	12,684	2,053	5,274	7,327	58

Highway Bridge Replacement and Rehabilitation Program, 1990.

KENTUCKY'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

KENTUCKY AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$76.3	$92.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

LOUISIANA Infrastructure Facts

Louisiana's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Louisiana's infrastructure needs.

CLEAN WATER NEEDS IN LOUISIANA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN LOUISIANA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$321	$22	$59	$34	$245	$173	0	$854
Needs (with population growth)	474	31	59	34	323	268	0	1,189

U.S. Environmental Protection Agency

- Over just the next five years, 2 projects must be built to bring Louisiana's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $9.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 70 additional projects must be funded at a cost of $589.0 million.

HAZARDOUS WASTE SITES IN LOUISIANA

- In Louisiana 13.75 million metric tons of hazardous waste were generated in 1986 -- 5.3 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 9 Louisiana sites on the National Priorities List for Superfund cleanup. An additional 2 sites located in Louisiana (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN LOUISIANA

Site Name	City/County	
Bayou Bonfouca	Slidell	
Bayou Sorrel Site	Bayou Sorrel	
Cleve Reber	Sorrento	
Combustion, Inc.	Denham Springs	*Proposed*
D.L. Mud, Inc.	Abbeville	*Proposed*
Dutchtown Treatment Plant	Ascension Parish	
Gulf Coast Vacuum Services	Abbeville	
Louisiana Army Ammunition Plant	Doyline	
Old Inger Oil Refinery	Darrow	
PAB Oil & Chemical Service, Inc.	Abbeville	
Petro-Processors of Louisiana, Inc.	Scotlandville	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN LOUISIANA

- **In Louisiana, 12 percent, or 1,697 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 244 miles in the state are unpaved rural roads.**
- Twenty-three percent, or 799 miles, of urban highways and streets in Louisiana are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 31 percent of Louisiana's road and street mileage, but carry over 80 percent of the state's travel.

LOUISIANA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	50	87	35	754	772	1,698
1988	5	40	68	735	849	1,697

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	15	None	168	194	265	642
1988	11	3	191	229	365	799

Federal Highway Administration

LOUISIANA'S DEFICIENT BRIDGES

- Louisiana has a total of 13,973 bridges, of which 6,221 (45 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Thirty percent of Louisiana's highway bridges on the federal-aid system are deficient, as are 56 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN LOUISIANA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	6,023	868	919	1,787	30
On State or Local Roads	7,950	2,952	1,482	4,434	56
LOUISIANA TOTAL	13,973	3,820	2,401	6,221	45

Highway Bridge Replacement and Rehabilitation Program, 1990.

LOUISIANA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

LOUISIANA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$176.2	$232.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

MAINE Infrastructure Facts

Maine's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Maine's infrastructure needs.

CLEAN WATER NEEDS IN MAINE

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MAINE, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$126	$1	$25	$11	$58	$47	$20	$288
Needs (with population growth)	149	1	25	11	84	51	20	341

U.S. Environmental Protection Agency

- Over just the next five years, 22 projects must be built to bring Maine's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $100.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 61 additional projects must be funded at a cost of $900.0 million.

HAZARDOUS WASTE SITES IN MAINE

- In Maine 310,900 metric tons of hazardous waste were generated in 1986 -- 0.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 6 Maine sites on the National Priorities List for Superfund cleanup. An additional 3 sites located in Maine (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MAINE

Site Name	City/County	
Brunswick Naval Air Station	Brunswick	
Loring Air Force Base	Limestone	*Proposed*
McKin Co.	Gray	
O'Connor Co.	Augusta	
Pinette's Salvage Yard	Washburn	
Saco Municipal Landfill	Saco	*Proposed*
Saco Tannery Waste Pits	Saco	
Union Chemical Co., Inc.	South Hope	*Proposed*
Winthrop Landfill	Winthrop	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN MAINE

- In Maine, 15 percent, or 1,107 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 79 miles are unpaved.
- Eight percent, or 81 miles, of urban highways and streets in Maine are rated **deficient**.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover 39 percent of Maine's road and streetmileage, but carry over 89 percent of the state's travel.

MAINE'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	26	43	88	84	222	463
1988	29	85	73	498	422	1,107

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	7	1	19	32	27	86
1988	4	1	7	36	33	81

Federal Highway Administration

MAINE'S DEFICIENT BRIDGES

- Maine has a total of 2,584 bridges, of which 767 (30 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Seventeen percent of Maine's highway bridges on the federal-aid system are deficient, as are 42 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MAINE - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,281	156	60	216	17
On State or Local Roads	1,303	288	263	551	42
MAINE TOTAL	2,584	444	323	767	30

Highway Bridge Replacement and Rehabilitation Program, 1990.

MAINE'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MAINE AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$34.4	$23.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

MARYLAND Infrastructure Facts

Maryland's infrastructure **is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Maryland's infrastructure needs.**

CLEAN WATER NEEDS IN MARYLAND

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MARYLAND, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$168	$395	$40	0	$49	$205	$9	$866
Needs (with population growth)	183	408	40	0	56	223	9	919

U.S. Environmental Protection Agency

- Over just the next **five** years, 79 projects must be built for Maryland's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $806.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN MARYLAND

- **In Maryland 2.98 million metric tons of hazardous waste were generated in 1986 -- 1.1 % of all hazardous waste generated in the U.S. that year.**

- The Environmental Protection Agency has placed 7 Maryland sites on the National Priorities List for Superfund cleanup. An additional 3 sites located in Maryland (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MARYLAND

Site Name	City/County	
Aberdeen Proving Ground (Edgewood Area)	Edgewood	*Proposed*
Aberdeen Proving Ground (Michaelsville Landfill)	Aberdeen	*Proposed*
Anne Arundel County Landfill	Glen Burnie	*Proposed*
Bush Valley Landfill	Abingdon	
Kane & Lombard Street Drums	Baltimore	
Limestone Road	Cumberland	
Mid-Atlantic Wood Preservers, Inc.	Harmans	
Sand, Gravel & Stone	Elkton	
Southern Maryland Wood Treating	Hollywood	
Woodlawn County Landfill	Woodlawn	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN MARYLAND

- In Maryland, 6 percent, or 331 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 29 miles in the state are unpaved rural roads.

- Six percent, or 212 miles, of urban highways and streets in Maryland are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 32 percent of Maryland's road and street mileage, but carry over 92 percent of the state's travel.

MARYLAND'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	None	None	60	154	214
1988	11	3	110	88	119	331

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	1	None	19	73	73	166
1988	18	1	61	58	74	212

Federal Highway Administration

MARYLAND'S DEFICIENT BRIDGES

- Maryland has a total of 4,587 bridges, of which 1,360 (30 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-one percent of Maryland's highway bridges on the federal-aid system are deficient, as are 42 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MARYLAND - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	2,723	369	211	580	21
On State or Local Roads	1,864	314	466	780	42
MARYLAND TOTAL	4,587	683	677	1,360	30

Highway Bridge Replacement and Rehabilitation Program, 1990.

MARYLAND'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MARYLAND AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	[illegible]	$20.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

MASSACHUSETTS Infrastructure Facts

Massachusetts' infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Massachusetts's infrastructure needs.

CLEAN WATER NEEDS IN MASSACHUSETTS

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MASSACHUSETTS, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$2,466	$15	$40	$18	$574	$618	$1,714	$5,445
Needs (with population growth)	2,526	34	40	18	731	773	1,714	5,836

U.S. Environmental Protection Agency

- Over just the next five years, 4 projects must be built to bring Massachusetts's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $500.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 116 additional projects must be funded at a cost of $6,400.0 million.

HIGHWAY NEEDS IN MASSACHUSETTS

- In Massachusetts, 16 percent, or 772 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 296 miles in the state are unpaved rural roads.
- Five percent, or 420 miles, of urban highways and streets in Massachusetts are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 38 percent of Massachusetts' road and street mileage, but carry over 92 percent of the state's travel.

MASSACHUSETTS'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	None	11	218	451	680
1988	None	None	10	277	485	772

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	23	3	77	107	115	325
1988	11	3	77	114	215	420

Federal Highway Administration

MASSACHUSETTS' DEFICIENT BRIDGES

- Massachusetts has a total of 4,973 bridges, of which 2,269 (46 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Forty percent of Massachusetts's highway bridges on the federal-aid system are deficient, as are 64 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MASSACHUSETTS - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	3,779	1,060	448	1,508	40
On State or Local Roads	1,194	621	140	761	64
MASSACHUSETTS TOTAL	4,973	1,681	588	2,2693	46

Highway Bridge Replacement and Rehabilitation Program, 1990.

MASSACHUSETTS' AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MASSACHUSETTS AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$90.5	$59.1

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN MASSACHUSETTS

- In Massachusetts 4.27 million metric tons of hazardous waste were generated in 1986 -- 1.6 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 21 Massachusetts sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in Massachusetts (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MASSACHUSETTS

Site Name	City/County	
Atlas Tack Corp.	Fairhaven	*Proposed*
Baird & McGuire	Holbrook	
Cannon Engineering Corp. (CEC)	Bridgewater	
Charles-George Reclamation Trust Landfill	Tyngsborough	
Fort Devens	Fort Devens	*Proposed*
Fort Devens-Sudbury Training Annex	Middlesex County	*Proposed*
Groveland Wells	Groveland	
Haverhill Municipal Landfill	Haverhill	
Hocomonco Pond	Westborough	
Industri-Plex	Woburn	
Iron Horse Park	Billerica	
New Bedford Site	New Bedford	
Norwood PCBs	Norwood	
Nyanza Chemical Waste Dump	Ashland	
Otis Air National Guard Base/Camp	Falmouth	*Proposed*
Plymouth Harbor/Cannon Engineering Corp.	Plymouth	
PSC Resources	Palmer	
Re-Solve, Inc.	Dartmouth	
Rose Disposal Pit	Lanesboro	
Salem Acres	Salem	
Shpack Landfill	Norton/Attleboro	
Silresim Chemical Corp.	Lowell	
Sullivan's Ledge	New Bedford	
W.R. Grace & Co. Inc. (Acton Plant)	Acton	
Wells G&H	Woburn	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

MICHIGAN Infrastructure Facts

Michigan's infrastructure is the network of public facilities – roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works – that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Michigan's infrastructure needs.

CLEAN WATER NEEDS IN MICHIGAN

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MICHIGAN, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$793	$28	$68	$26	$385	$696	$1,129	$3,125
Needs (with population growth)	845	31	68	26	455	767	1,129	3,321

U.S. Environmental Protection Agency

- Over just the next five years, 1 project must be built to bring Michigan's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $9.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 81 additional projects must be funded at a cost of $1,200.0 million.

HIGHWAY NEEDS IN MICHIGAN

- In Michigan, 11 percent, or 3,075 miles, of rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 3,446 miles in the state are unpaved rural roads.
- Eight percent, or 756 miles, of urban highways and streets in Michigan are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 35 percent of Michigan's road and street mileage, but carry over 91 percent of the state's travel.

MICHIGAN'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	90	11	35	1,136	508	1,780
1988	64	1	31	1,961	1,018	3,075

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	89	None	135	332	222	778
1988	65	None	133	263	295	756

Federal Highway Administration

MICHIGAN'S DEFICIENT BRIDGES

- Michigan has a total of 10,610 bridges, of which 3,442 (32 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Twenty-three percent of Michigan's highway bridges on the federal-aid system are deficient, as are 44 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MICHIGAN - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	5,871	1,105	246	1,351	23
On State or Local Roads	4,739	1,645	446	2,091	44
MICHIGAN TOTAL	10,610	2,750	692	3,442	32

Highway Bridge Replacement and Rehabilitation Program, 1990.

MICHIGAN'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MICHIGAN AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$629.5	$371.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN MICHIGAN

- In Michigan 11.81 million metric tons of hazardous waste were generated in 1986 -- 4.5 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 65 Michigan sites on the National Priorities List for Superfund cleanup. An additional 16 sites located in Michigan (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MICHIGAN

Site Name	City/County	
Adam's Plating	Lansing	
Albion-Sheridan Towhnship Landfill	Albion	*Proposed*
Allied Paper, Inc./Portage Creek/Kalamazoo River	Kalamazoo	*Proposed*
American Anodco, Inc.	Ionia	
Anderson Development Co.	Adrian	
Auto Ion Chemicals, Inc.	Kalamazoo	
Avenue "E" Ground Water Contamination	Traverse City	
Barrels, Inc.	Lansing	*Proposed*
Bendix Corp./Allied Automotive	St. Joseph	*Proposed*
Berlin & Farro	Swartz Creek	
Bofors Nobel, Inc.	Muskegon	
Burrows Sanitation	Hartford	
Butterworth #2 Landfill	Grand Rapids	
Cannelton Industries, Inc.	Sault Sainte Marie	*Proposed*
Carter Industrials, Inc.	Detroit	
Cemetery Dump	Rose Center	
Charlevoix Municipal Well	Charlevoix	
Chem Central	Wyoming Township	
Clare Water Supply	Clare	
Cliff/Dow Dump	Marquette	
Duell & Gardner Landfill	Dalton Township	
Electrovoice	Buchanan	
Folkertsma Refuse	Grand Rapids	
Ford Motor Co. (Sludge Lagoon)	Ypsilanti	*Proposed*
Forest Waste Products	Otisville	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MICHIGAN

Site Name	City/County	
G&H Landfill	Utica	
Grand Traverse Overall Supply Co.	Greilickville	
Gratiot County Landfill	St. Louis	
H. Brown Co., Inc.	Grand Rapids	
Hedblum Industries	Oscoda	
Hi-Mill Manufacturing Co.	Highland	*Proposed*
Hooker (Montague Plant)	Montague	*Proposed*
Ionia City Landfill	Ionia	
J & L Landfill	Rochester Hills	
K&L Avenue Landfill	Oshtemo Township	
Kaydon Corp.	Muskegon	*Proposed*
Kent City Mobile Home Park	Kent City	
Kentwood Landfill	Kentwood	
Kysor Industrial Corp.	Cadillac	*Proposed*
Lacks Industries, Inc.	Grand Rapids	*Proposed*
Liquid Disposal, Inc.	Utica	
Mason County Landfill	Pere Marquette TWP	
McGraw Edison Corp.	Albion	
Metal Working Shop	Lake Ann	*Proposed*
Metamora Landfill	Metamora	
Michigan Disposal Service (Cork Street Landfill)	Kalamazoo	*Proposed*
Motor Wheel, Inc.	Lansing	
Muskegon Chemical Co.	Whitehall	*Proposed*
North Bronson Industrial Area	Bronson	
Northernaire Plating	Cadillac	
Novaco Industries	Temperance	
Organic Chemicals, Inc.	Grandville	
Ossineke Ground Water Contamination	Ossineke	
Ott/Story/Cordova Chemical Co.	Dalton Township	
Packaging Corp. of America	Filer City	
Parsons Chemical Works, Inc.	Grand ledge	
Peerless Plating Co.	Muskegon	*Proposed*
Petoskey Municpal Well Field	Petoskey	
Rasmussen's Dump	Green Oak Township	
Rockwell International Corp. (Allegan Plant)		
Rose Township Dump	Rose Township	
Roto-/Finish Co., Inc.	Kalamazoo	
SCA Independent Landfill	Muskegon Heights	
Shiawassee River	Howell	
South Macomb Disposal Authority (Landfills #9 abd #9a)	Macomb Township	
Southwest Ottawa County Landfill	Park Township	
Sparta Landfill	Sparta Township	
Spartan Chemical Co.	Wyoming	
Spiegelberg Landfill	Green Oak Township	
Springfield Township Dump	Davisburg	
State Disposal Landfill Inc.	Grand Rapids	*Proposed*
Sturgis Municipal Wells	Sturgis	
Tar Lake	Mancelona Township	
Thermo-Chem, Inc.	Muskegon	
Torch Lake	Houghton County	
U.S. Aviex	Howard Township	
Velsicol Chemical (Michigan)	St. Louis	
Verona Well Field	Battle Creek	
Wash King Laundry	Pleasant Plains Township	
Waste Management of Michigan (Holland Lagoons)	Holland	
Whitehall Municipal Wells	Whitehall	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

MINNESOTA Infrastructure Facts

Minnesota's infrastructure is the network of public facilities – roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works – that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Minnesota's infrastructure needs.

CLEAN WATER NEEDS IN MINNESOTA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MINNESOTA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$321	$51	$19	$167	$26	$99	$219	$902
Needs (with population growth)	486	64	19	167	28	123	219	1,106

U.S. Environmental Protection Agency

- Over just the next **five** years, 24 projects must be built to bring Minnesota's municipalities **into** compliance with water quality standards mandated by the Clean Water Act, at a cost of $105.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 60 **additional** projects must be funded at a cost of $135.0 million.

HIGHWAY NEEDS IN MINNESOTA

- In Minnesota 449 rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 6,470 miles in the state are unpaved rural roads.

- Eight percent, or 357 miles, of urban highways and streets in Minnesota are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 33 percent of Minnesota's road and street mileage, but carry over 86 percent of the state's travel.

MINNESOTA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	31	None	57	41	44	173
1988	46	7	64	287	45	449

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	1	None	24	78	146	249
1988	3	2	12	104	236	357

Federal Highway Administration

MINNESOTA'S DEFICIENT BRIDGES

- Minnesota has a total of 13,002 bridges, of which 3,654 (28 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Seventeen percent of Minnesota's highway bridges on the federal-aid system are deficient, as are 35 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MINNESOTA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	5,157	560	321	881	17
On State or Local Roads	7,845	1,374	1,399	2,773	35
MINNESOTA TOTAL	13,002	1,934	1,720	3,654	28

Highway Bridge Replacement and Rehabilitation Program, 1990.

MINNESOTA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MINNESOTA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$319.9	$96.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN MINNESOTA

- In Minnesota 1.93 million metric tons of hazardous waste were generated in 1986 -- 0.7 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 40 Minnesota sites (listed below) on the National Priorities List for Superfund cleanup, and has proposed one additional site for the Superfund list.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MINNESOTA

Site Name	City/County	
Adrian Municipal Well Field	Adrian	
Agate Lake Scrapyard	Fairview Township	
Arrowhead Refinery Co.	Hermantown	
Boise Cascade/Onan Corp./Medtronics, Inc.	Fridley	
Burlington Northern (Brainerd/Baxter Plant)	Brainerd/Baxter	
East Bethel Demolition Landfill	East Bethel Township	
FMC Corp. (Fridley Plant)	Fridley	
Freeway Sanitary Landfill	Burnsville	
General Mills/Henkel Corp.	Minneapolis	
Joslyn Manufacturing & Supply Co.	Brooklyn Center	
Koch Refining Co./N-Ren Corp.	Pine Bend	
Koppers Coke	St. Paul	
Kummer Sanitary landfill	Bemidji	
Kurt Manufacturing Co.	Fridley	
LaGrand Sanitary Landfill	LaGrand Township	
Lehillier/Mankato Site	Lehillier/Mankato	
Long Prairie Ground Water Contamination	Long Prairie	
MacGillis & Gibbs Co./ Bell Lumber & Pole Co.	New Brighton	
Naval Industrial Reserve Ordnance Plant	Fridley	*Proposed*
New Brighton/Arden Hills	New Brighton	
NL Industries/Taracorp/Golden Autho	St. Louis Park	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MINNESOTA

Site Name	City/County
Nutting Truck & Caster Co.	Faribault
Oak Grove Sanitary Landfill	Oak Grove Township
Oakdale Dump	Oakdale
Olmsted County Sanitary Landfill	Oronoco
Perham Arsenic Site	Perham
Pine Bend Sanitary Landfill	Dakota County
Reilly Tar & Chemical Corp.	St. Louis park
Ritari Post & Pole	Sebeka
South Andover Site	Andover
St. Augusta Sanitary Landfill/Engen Dump	St. Augusta Township
St. Louis River Site	St. Louis County
St. Regis Paper Co.	Cass Lake
Twin Cities Air Force Reserve Base (Small Arms Range Landfill)	Minneapolis
Union Scrap Iron & Metal Co.	Minneapolis
University of Minnesota (Rosemount Research Center)Rosemount	
Waite Park Wells	Waite Park
Washington County Landfill	Lake Elmo
Waste Disposal Engineering	Andover
Whittaker Corp.	Minneapolis
Windom Dump	Windom

U.S. Environmental Protection Agency, National Priorities List, July, 1989

MISSISSIPPI Infrastructure Facts

***Mississippi's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Mississippi's infrastructure needs.**

CLEAN WATER NEEDS IN MISSISSIPPI

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MISSISSIPPI, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$156	$51	$64	$2	$62	$75	0	$410
Needs (with population growth)	217	65	642	81	119	0	0	548

U.S. Environmental Protection Agency

- Over just the next **five** years, 20 projects must be built to bring Mississippi's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $15.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 25 **additional** projects must be funded at a cost of $43.5 million.

HAZARDOUS WASTE SITES IN MISSISSIPPI

- In Mississippi 2.78 million metric tons of hazardous waste were generated in 1986 -- 1.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 2 Mississippi sites on the National Priorities List for Superfund cleanup. An additional 1 site located in Mississippi (also listed below) is proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MISSISSIPPI

Site Name	City/County	
Flowood Site	Flowood	
Gautier Oil Co., Inc.	Gautier	*Proposed*
Newsom Brothers/Old Reichhold Chemicals, Inc.	Columbia	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN MISSISSIPPI

- In Mississippi, 31 percent, or 5,986 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,487 are unpaved rural roads.
- Thirteen percent, or 279 miles, of urban highways and streets in Mississippi are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 32 percent of Mississippi's road and street mileage, but carry over 80 percent of the state's travel.

MISSISSIPPI'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	230	244	487	5,035	1,198	7,194
1988	171	201	328	4,215	1,071	5,986

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	39	None	174	260	297	770
1988	17	None	57	130	75	279

Federal Highway Administration

MISSISSIPPI'S DEFICIENT BRIDGES

- Mississippi has a total of 16,920 bridges, of which 8,593 (51 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Forty percent of Mississippi's highway bridges on the federal-aid system are deficient, as are 59 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MISSISSIPPI - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	7,601	1,417	1,652	3,069	40
On State or Local Roads	9,319	4,725	799	5,524	59
MISSISSIPPI TOTAL	16,920	6,142	2,451	8,593	51

Highway Bridge Replacement and Rehabilitation Program, 1990.

MISSISSIPPI'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MISSISSIPPI AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$63.9	$38.5

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

MISSOURI Infrastructure Facts

***Missouri's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Missouri's infrastructure needs.**

CLEAN WATER NEEDS IN MISSOURI

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MISSOURI, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$425	$1	$10	$70	$54	$252	$143	$955
Needs (with population growth)	514	1	10	70	67	417	143	1,222

U.S. Environmental Protection Agency

- Over just the next **five** years, 2 projects must be built to bring Missouri's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $300.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 19 **additional** projects must be funded at a cost of $105.0 million.

HIGHWAY NEEDS IN MISSOURI

- In Missouri, 12 percent, or 3,671 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.
- Twenty-five percent, or 1,138 miles, of urban highways and streets in Missouri are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 30 percent of Missouri's road and street mileage, but carry over 90 percent of the state's travel.

MISSOURI'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	317	591	808	2,355	855	4,926
1988	321	327	763	1,416	844	3,671

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	154	18	273	275	425	1,145
1988	188	23	194	348	385	1,138

Federal Highway Administration

MISSOURI'S DEFICIENT BRIDGES

- Missouri has a total of 23,415 bridges, of which 12,015 (62 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-eight percent of Missouri's highway bridges on the federal-aid system are deficient, as are 77 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MISSOURI - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	8,820	1,924	1,422	3,346	38
On State or Local Roads	14,595	10,091	1,132	11,223	77
MISSOURI TOTAL	23,415	12,015	2,554	14,569	62

Highway Bridge Replacement and Rehabilitation Program, 1990.

MISSOURI'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MISSOURI AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$306.9	$231.2

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN MISSOURI

- In Missouri 5.70 million metric tons of hazardous waste were generated in 1986 -- 2.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 14 Missouri sites on the National Priorities List for Superfund cleanup. An additional 9 sites located in Missouri (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MISSOURI

Site Name	City/County	
Bee Cee Manufacturing Co.	Malden	
Conservation Chemical Co.	Kansas City	*Proposed*
Ellisville Site	Ellisville	
Findett Corp.	St. Charles	*Proposed*
Fulbright Landfill	Springfield	
Kem-Pest Laboratories	Cape Girardeau	*Proposed*
Lake City Army Ammunition Plant (Northwest Lagoon)	Independence	
Lee Chemical	Liberty	
Minker/Stout/Romaine Creek	Imperial	
Missouri Electric Works	Cape Girardeau	*Proposed*
North-U Drive Well Contamination	Springfield	
Oronogo-Dunweg Mining Belt	Jasper County	*Proposed*
Quail Run Mobile Manor	Gray Summit	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MISSOURI

Site Name	City/County	
Quality Plating	Sikeston	
Shenandoah Stables	Moscow Mills	
Solid State Circuits, Inc.	Republic	
St. Louis Airport/Hazelwood Interim Storage/Futura Coatings Co.	St. Louis County	*Proposed*
Syntex Facility	Verona	
Times Beach Site	Times Beach	
Valley Park TCE	Valley Park	
Weldon Spring Quarry/Plant/Pits	St. Charles County	
Weldon Spring Former Army Ordnance Works	St. Charles Country	*Proposed*
Wheeling Disposal Service Co. Landfill	Amazonia	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

MONTANA Infrastructure Facts

Montana's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Montana's infrastructure needs.

CLEAN WATER NEEDS IN MONTANA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN MONTANA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$17	$2	0	$9	$19	$10	0	$57
Needs (with population growth)	21	4	0	9	23	12	0	69

U.S. Environmental Protection Agency

HAZARDOUS WASTE SITES IN MONTANA

- In Montana 634,800 metric tons of hazardous waste were generated in 1986 -- 0.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 8 Montana sites on the National Priorities List for Superfund cleanup. An additional 2 sites located in Montana (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN MONTANA

Site Name	City/County	
Anaconda Co. Smelter	Anaconda	
Burlington Northern Railroad	Somers	*Proposed*
Comet Oil Co.	Billings	*Proposed*
East Helena Site	East Helena	
Idaho Pole Co.	Bozeman	
Libby Ground Water Contamination	Libby	
Milltown Reservoir Sediments	Milltown	
Montana Pole and Treating	Butte	
Mouat Industries	Columbus	
Silver Bow Creek/Butte Area	Sil Box/Deer Lodge	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN MONTANA

- In Montana, 18 percent, or 1,934 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 11,675 miles in the state are unpaved.
- Fifteen percent, or 94 miles, of urban highways and streets in Montana are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 33 percent of Montana's street and road mileage, but carry over 82 percent of the state's travel.

MONTANA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	94	449	722	675	21	1,961
1988	120	396	754	642	22	1,934

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	13	None	17	37	26	93
1988	7	None	29	34	24	94

Federal Highway Administration

MONTANA'S DEFICIENT BRIDGES

- Montana has a total of 4,705 bridges, of which 2,761 (59 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Fifty-three percent of Montana's highway bridges on the federal-aid system are deficient, as are 65 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN MONTANA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	2,498	90	1,236	1,326	53
On State or Local Roads	2,207	411	1,024	1,435	65
MONTANA TOTAL	4,705	501	2,260	2,761	59

Highway Bridge Replacement and Rehabilitation Program, 1990.

MONTANA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

MONTANA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$57.0	$34.1

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

NEBRASKA Infrastructure Facts

***Nebraska's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Nebraska's infrastructure needs.**

CLEAN WATER NEEDS IN NEBRASKA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEBRASKA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$50	$2	$1	$8	$8	$10	$20	$99
Needs (with population growth)	64	2	1	8	8	11	20	114

U.S. Environmental Protection Agency

- Over just the next five years, 350 projects must be built for Nebraska's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $1,000.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN NEBRASKA

- In Nebraska 427,800 metric tons of hazardous waste were generated in 1986 -- 0.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 3 Nebraska sites on the National Priorities List for Superfund cleanup. An additional 2 sites located in Nebraska (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEBRASKA

Site Name	City/County	
Cornhusker Army Ammunition Plant	Hall County	
Hastings Ground Water Contamination	Hastings	
Lindsay Manufacturing Co.	Lindsay	*Proposed*
Monroe Auto Equipment Co.	Cozad	*Proposed*
Waverly Ground Water Contamination	Waverly	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN NEBRASKA

- In Nebraska, 8 percent, or 1,256 miles, of all paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 12,780 miles in the state are unpaved.

- Five percent, or 68 miles, of urban highways and streets in Nebraska are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 32 percent of Nebraska's road and street mileage, but carry over 86 percent of the state's travel.

NEBRASKA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	9	66	52	668	344	1,139
1988	4	3	7	912	330	1,256

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	1	None	3	24	22	50
1988	1	None	3	34	30	68

Federal Highway Administration

NEBRASKA'S DEFICIENT BRIDGES

- Nebraska has a total of 15,789 bridges, of which 9,101 (58 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-six percent of Nebraska's highway bridges on the federal-aid system are deficient, as are 68 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEBRASKA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	5,095	777	523	1,300	26
On State or Local Roads	10,694	6,663	615	7,278	68
NEBRASKA TOTAL	15,789	7,440	1,661	9,101	58

Highway Bridge Replacement and Rehabilitation Program, 1990.

NEBRASKA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEBRASKA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$130.7	$46.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

NEVADA Infrastructure Facts

Nevada's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a summary of Nevada's infrastructure needs.

CLEAN WATER NEEDS IN NEVADA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEVADA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$55	$22	$2	$3	$12	$7	0	$101
Needs (with population growth)	83	41	2	3	17	19	0	165

U.S. Environmental Protection Agency

- Over just the next five years, 31 projects must be built for Nevada's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $150.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN NEVADA

- In Nevada, 11 percent, or 626 miles, of rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,324 miles in the state are unpaved rural roads.

- Fifteen percent, or 149 miles, of urban highways and streets in Nevada are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 18 percent of Nevada's road and street mileage, but carry 90 percent of the state's traffic.

NEVADA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	46	27	None	126	177	376
1988	157	33	178	205	53	626

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	None	7	29	178	214
1988	22	None	7	40	80	149

Federal Highway Administration

NEVADA'S DEFICIENT BRIDGES

- Nevada has a total of 1,087 bridges, of which 161 (15 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Eleven percent of Nevada's highway bridges on the federal-aid system are deficient, as are 27 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEVADA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	813	23	63	86	11
On State or Local Roads	274	38	37	75	27
NEVADA TOTAL	1,087	61	100	161	15

Highway Bridge Replacement and Rehabilitation Program, 1990.

HAZARDOUS WASTE IN NEVADA

- In Nevada 361,000 metric tons of hazardous waste were generated in 1986 -- 0.1 % of all hazardous waste generated in the U.S. that year.

NEVADA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEVADA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$138.3	$142.3

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

NEW HAMPSHIRE Infrastructure Facts

New Hampshire's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of New Hampshire's infrastructure needs.

CLEAN WATER NEEDS IN NEW HAMPSHIRE

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEW HAMPSHIRE, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$104	$6	$9	$5	$210	$144	$231	$709
Needs (with population growth)	130	9	9	5	260	210	231	854

U.S. Environmental Protection Agency

- Over just the next five years, 40 projects must be built for New Hampshire's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $175.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN NEW HAMPSHIRE

- In New Hampshire 417,900 metric tons of hazardous waste were generated in 1986 -- 0.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 15 New Hampshire sites (listed below) on the National Priorities List for Superfund cleanup, and proposed one additional site for the Superfund list.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW HAMPSHIRE

Site Name	City/County	
Auburn Road Landfill	Londonderry	
Coakley Landfill	North Hampton	
Dover Municipal Landfill	Dover	
Fletcher's Paint Works & Storage	Milford	
Holton Circle Ground Water Contamination	Londonderry	
Kearsage Metallurgical Corp.	Conway	
Keefe Environmental Services	Epping	
Mottolo Pig Farm	Raymond	
Ottati & Goss/Kingston Steel Drum	Kingston	
Pease Air Force Base	Portsmouth/Newington	*Proposed*
Savage Municipal Water Supply	Milford	
Somersworth Sanitary Landfill	Somersworth	
South Municipal Water Supply Well	Peterborough	
Sylvester	Nashua	
Tibbets Road	Barrington	
Tinkham Garage	Londonderry	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN NEW HAMPSHIRE

- In New Hampshire, 24 percent, or 849 miles, of all paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.
- Twenty percent, or 190 miles, of urban highways and streets in New Hampshire are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 31 percent of New Hampshire's road and street mileage, but carry over 91 percent of the state's travel.

NEW HAMPSHIRE'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	21	14	42	301	496	874
1988	21	14	36	294	484	849

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	3	None	9	67	118	197
1988	2	None	10	63	115	190

Federal Highway Administration

NEW HAMPSHIRE'S DEFICIENT BRIDGES

- New Hampshire has a total of 2,570 bridges, of which 1,096 (43 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Twenty-three percent of New Hampshire's highway bridges on the federal-aid system are deficient, as are 61 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEW HAMPSHIRE - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,247	156	129	285	23
On State or Local Roads	1,323	328	483	811	61
NEW HAMPSHIRE TOTAL	2,570	484	612	1,096	43

Highway Bridge Replacement and Rehabilitation Program, 1990.

NEW HAMPSHIRE'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEW HAMPSHIRE AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$13.8	$14.2

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

NEW JERSEY Infrastructure Facts

***New Jersey's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of New Jersey's infrastructure needs.**

CLEAN WATER NEEDS IN NEW JERSEY

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEW JERSEY, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$1,380$167	$240	$319	$301	$153	$791	$3,351	
Needs (with population growth)	1,632	199	240	319	385	188	791	3,754

U.S. Environmental Protection Agency

- Over just the next **five** years, 310 projects must be built for New Jersey's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $2,900.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN NEW JERSEY

- In New Jersey, 9 percent, or 367 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.
- Fifteen percent, or 1,010 miles, of urban highways and streets in New Jersey are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 31 percent of New Jersey's road and street mileage, but carry over 80 percent of the state's travel.

NEW JERSEY'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	3	None	38	133	189	363
1988	5	None	34	121	207	367

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	12	None	67	592	284	955
1988	15	None	65	611	319	1,010

Federal Highway Administration

NEW JERSEY'S DEFICIENT BRIDGES

- New Jersey has a total of 6,013 bridges, of which 2,034 (34 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-nine percent of New Jersey's highway bridges on the federal-aid system are deficient, as are 46 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEW JERSEY - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	4,241	926	324	1,250	29
On State or Local Roads	1,722	445	339	784	46
NEW JERSEY TOTAL	6,013	1,317	663	2,034	34

Highway Bridge Replacement and Rehabilitation Program, 1990.

NEW JERSEY'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEW JERSEY AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$192.3	$138.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN NEW JERSEY

- In New Jersey 13.27 million metric tons of hazardous waste were generated in 1986 -- 5.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 100 New Jersey sites on the National Priorities List for Superfund cleanup. An additional 9 sites located in New Jersey (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW JERSEY

Site Name	City/County	
A.O. Polymer	Sparta Township	
American Cyanamid Co.	Bound Brook	
Asbestos Dump	Millington	
Beachwood/Berkley Wells	Berkley Township	
Bog Creek Farm	Howell Township	
Brick Township Landfill	Brick Township	
Bridgeport Rental & Oil Services	Bridgeport	
Brook Industrial Park	Bound Brook	*Proposed*
Burnt Fly Bog	Marlboro Township	
Caldwell Trucking Co.	Fairfield	
Chemical Control	Elizabeth	
Chemical Leaman Tank Lines, Inc.	Bridgeport	
Chemsol, Inc.	Piscataway	
Ciba-Geigy Corp.	Toms River	
Cinnaminson Township (Block 702) Ground Water Contamination	Cinnaminson Township	
Combe Fill North Landfill	Mount Olive Township	
Combe Fill South Landfill	Chester Township	
Cosden Chemical Coatings Corp.	Beverly	
CPS/Madison Industries	Old Bridge Township	
Curcio Scrap Metal, Inc.	Saddle Brook Township	
D'Imperio Property	Hamilton Township	
Dayco Corp./L.E. Carpenter Co.	Wharton Borough	
De Rewal Chemical Co.	Kingwood Township	
Delilah Road	Egg Harbor Township	
Denzer & Schafer X-Ray Co.	Bayville	
Diamond Alkali Co.	Newark	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW JERSEY (Continued)

Site Name	City/County	
Dover Municipal Well 4	Dover Township	
Ellis Property	Evesham Township	
Evor Phillips Leasing	Old Bridge Township	
Ewan Property	Shamong Township	
Fair Lawn Well Field	Fair Lawn	
Federal Aviation Administration Technical Center	Atlantic Country	*Proposed*
Florence Land Recontouring Landfill	Florence Township	
Fort Dix (Landfill Site)	Pemberton Township	
Fried Industries	East Brunswick Township	
Garden State Cleaners Co.	Minotola	
GEMS Landfill	Gloucester Township	
Glen Ridge Radium Site	Glen Ridge	
Global Sanitary Landfill	Old Bridge Township	
Goose Farm	Plumstead Township	
Helen Kramer Landfill	Mantua Township	
Hercules, Inc. (Gibbstown Plant)	Gibbstown	
Higgins Disposal	Kingston	*Proposed*
Higgins Farm	Franklin Township	
Hopkins Farm	Plumstead Township	
Imperial Oil Co., Inc./Champion Chemicals	Morganville	
Industrial Latex Corp.	Wallington Borough	
Jackson Township Landfill	Jackson Township	
JIS Landfill	Jamesburg/S. Brunswick	
Kauffman & Minteer, Inc.	Jobstown	
Kin-Buc Landfill	Edison Township	
King of Prussia	Winslow Township	
Landfill & Development Co.	Mount Holly	
Lang Property	Pemberton Township	
Lipari Landfill	Pitman	
Lodi Municipal Well	Lodi	*Proposed*
Lone Pine Landfill	Freehold Township	
M&T Delisa Landfill	Asbury Park	
Mannheim Avenue Dump	Galloway Township	
Matlack, Inc.	Woolwich Township	*Proposed*
Maywood Chemical Co.	Maywood/Rochelle Park	
Metaltec/Aerosystems	Franklin Borough	
Monitor Devices/Intercircuits Inc.	Wall Township	
Monroe Township Landfill	Monroe Township	
Montclair/West Orange Radium Site	Montclair/W Orange	
Montgomery Township Housing Development	Montgomery Township	
Myers Property	Franklin Township	
Nascolite Corp.	Millville	
Naval Air Engineering Center	Lakehurst	
Naval Weapons Station Earle (Site A)	Colts Neck	*Proposed*
NL Industries	Pedricktown	
Pepe Field	Boonton	
Picatinny Arsenal	Rockaway Township	*Proposed*
Pijak Farm	Plumstead Township	
PJP Landfill	Jersey City	
Pohatcong Vallen Ground Water Contamination	Warren County	
Pomona Oaks Residential Wells	Galloway Township	
Price Landfill	Pleasantville	
Radiation Technology, Inc.	Rockaway Township	
Reich Farms	Pleasant Plains	
Renora, Inc.	Edison Township	
Ringwood Mines/Landfill	Ringwood Borough	
Rockaway Borough Well Field	Rockaway Township	
Rockaway Township Wells	Rockaway	
Rocky Hill Municipal Well	Rocky Hill Borough	
Roebling Steel Co.	Florence	
Sayreville Landfill	Sayreville	
Scientific Chemical Processing	Carlstadt	
Sharkey Landfill	Parsippany/Troy Hills	
Shieldalloy Corp.	Newfield Borough	
South Brunswick Landfill	South Brunswick	
South Jersey Clothing Co.	Minotola	*Proposed*
Spence Farm	Plumstead Township	
Swope Oil & Chemical Co.	Pennsauken	
Syncon Resins	South Kearny	
Tabernacle Drum Dump	Tabernacle Township	
U.S. Radium Corp.	Orange	
Universal Oil Products (Chemical Division)	East Rutherford	
Upper Deerfield Township Sanitary Landfill	Upper Deerfield Township	
Ventron/Velsicol	Wood Ridge Borough	
Vineland Chemical Co., Inc.	Vineland	
Vineland State School	Vineland	
W.R.Grace & Co., Inc., Wayne Interim Storage Site (USDOE)	Wayne Township	
Waldick Aerospace Devices, Inc.	Wall Township	
Williams Property	Swainton	
Wilson Farm	Plumstead Township	

NEW MEXICO Infrastructure Facts

New Mexico's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of New Mexico's infrastructure needs.

CLEAN WATER NEEDS IN NEW MEXICO

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEW MEXICO, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$53	0	$1	$16	$8	$14	0	$92
Needs (with population growth)	55	0	1	16	31	27	0	130

U.S. Environmental Protection Agency

- Over just the next five years, 31 projects must be built for New Mexico's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $65.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN NEW MEXICO

- In New Mexico 555,500 metric tons of hazardous waste were generated in 1986 – 0.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 6 New Mexico sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in New Mexico (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW MEXICO

Site Name	City/County	
AT & SF (Clovis)	Clovis	
Cal West Metals (USSBA)	Lemitar	
Cimarron Mining Corp.	Carrizozo	*Proposed*
Cleveland Mill	Silver City	
Homestake Mining Co.	Milan	
Lee Acres Landfill (USDOI)	Farmington	*Proposed*
Pagano Salvage	Los Lunas	*Proposed*
Prewitt Abandoned Refinery	Prewitt	*Proposed*
South Valley	Albuquerque	
United Nuclear Corp.	Church Rock	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN NEW MEXICO

- In New Mexico, 6 percent, or 655 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 504 miles are unpaved.

- Five percent, or 62 miles, of urban highways and streets in New Mexico are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 22 percent of New Mexico's road and street mileage, but carry over 81 percent of the state's travel.

NEW MEXICO'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	109	1	121	498	94	823
1988	6	3	129	480	37	655

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	20	None	20	60	43	143
1988	6	None	14	21	21	62

Federal Highway Administration

NEW MEXICO'S DEFICIENT BRIDGES

- New Mexico has a total of 3,448 bridges, of which 761 (22 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Eighteen percent of New Mexico's highway bridges on the federal-aid system are deficient, as are 31 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEW MEXICO - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	2,376	207	221	428	18
On State or Local Roads	1,072	195	138	333	31
NEW MEXICO TOTAL	3,448	402	359	761	22

Highway Bridge Replacement and Rehabilitation Program, 1990.

NEW MEXICO'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEW MEXICO AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$121.1	$48.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

NEW YORK Infrastructure Facts

New York's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of New York's infrastructure needs.

CLEAN WATER NEEDS IN NEW YORK

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NEW YORK, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$1,832	$174	$164	$1,583	$1,185	$984	$5,761	$11,683
Needs (with population growth)	1,908	198	164	1,583	1,948	1,159	5,761	12,721

U.S. Environmental Protection Agency

- Over just the next five years, 78 projects must be built to bring New York's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $1,754.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 547 additional projects must be funded at a cost of $5,582.0 million.

HIGHWAY NEEDS IN NEW YORK

- In New York, 3 percent, or 798 miles, of paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 69 miles are unpaved.
- One percent, or 122 miles, of urban highways and streets in New York are rated deficient.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 33 percent of New York's road and street mileage, but carry over 89 percent of the state's travel.

NEW YORK'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	11	41	149	96	391	688
1988	23	None	125	40	610	798

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	82	2	18	24	196	322
1988	66	1	19	7	29	122

Federal Highway Administration

NEW YORK'S DEFICIENT BRIDGES

- New York has a total of 17,313 bridges, of which 11,808 (68 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Sixty-one percent of New York's highway bridges on the federal-aid system are deficient, as are 76 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NEW YORK - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	8,833	4,867	531	5,398	61
On State or Local Roads	8,480	5,679	731	6,410	76
NEW YORK TOTAL	17,313	10,546	1,262	11,808	68

Highway Bridge Replacement and Rehabilitation Program, 1990.

NEW YORK'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NEW YORK AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$2,078.2	$522.1

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN NEW YORK

- In New York 9.18 million metric tons of hazardous waste were generated in 1986 -- 3.5 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 73 New York sites on the National Priorities List for Superfund cleanup. An additional 7 sites located in New York (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW YORK

Site Name	City/County	
Action Anodizing, Plating, & Polishing Corp.	Copiague	
American Thermostat Co.	South Cairo	
Anchor Chemicals	Hicksville	
Applied Environmental Services	Glenwood Landing	
Batavia Landfill	Batavia	
BEC Trucking	Town of Vestal	
BioClinical Laboratories, Inc.	Bohemia	
Brewster Well Field	Putnam County	
Brookhaven National Laboratory (U.S. DOE)	Upton	*Proposed*
Byron Barrel & Drum	Byron	
C & J Disposal Leasing Co. Dump	Hamilton	
Carroll & Dubies Sewage Disposal	Port Jervis	*Proposed*
Circuitron Corp.	East Farmingdale	
Claremont Polychemical	Old Bethpage	
Clothier Disposal	Town of Granby	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NEW YORK (Continued)

Site Name	City/County	
Colesville Municipal Landfill	Town of Colesville	
Conklin Dumps	Conklin	
Cortese Landfill	Village of Narrowsburg	
Endicott Village Well Field	Village of Endicott	
Facet Enterprises, Inc.	Elmira	
FMC Corp. (Dublin Road Landfill)	Town of Shelby	
Fulton Terminals	Fulton	
GE Moreau	South Glen Falls	
General Motors (Central Foundry Division)	Massena	
Genzale Plating Co.	Franklin Square	
Goldisc Recordings, Inc.	Holbrook	
Griffiss Air Force Base	Rome	
Haviland Complex	Town of Hyde Park	
Hertel Landfill	Plattekill	
Hooker (102nd Street)	Niagara Falls	
Hooker (Hyde Park)	Niagara Falls	
Hooker (S Area)	Niagara Falls	
Hooker Chemical/Ruco Polymer Corp.	Hicksville	
Hudson River PCBs	Hudson River	
Islip Municipal Sanitary Landfill	Islip	
Johnstown City Landfill	Town of Johnstown	
Jones Chemicals, Inc.	Caledonia	*Proposed*
Jones Sanitation	Hyde Park	
Katonah Municipal Well	Town of Bedford	
Kenmark Textile Corp.	Farmingdale	
Kentucky Avenue Well Field	Horseheads	
Liberty Industrial Finishing	Farmingdale	
Love Canal	Niagara Falls	
Ludlow Sand & Gravel	Clayville	
Malta Rocket Fuel Area	Malta	
Marathon Battery Corp.	Cold Springs	
Mattiace Petrochemical Co., Inc.	Glen Cove	
Mercury Refining, Inc.	Colonie	
Nepera Chemical Co., Inc.	Maybrook	
Niagara County Refuse	Wheatfield	
Niagara Mohawk Power Corp. (Saratoga Springs Plant)	Saratoga Springs	*Proposed*
North Sea Municipal Landfill	North Sea	
Old Bethpage Landfill	Oyster Bay	
Olean Well Field	Olean	
Pasley Solvents & Chemicals, Inc.	Hempstead	
Plattsburgh Air Force Base	Plattsburgh	*Proposed*
Pollution Abatement Services	Oswego	
Port Washington Landfill	Port Washington	
Preferred Plating Corp.	Farmingdale	
Ramapo Landfill	Ramapo	
Richardson Hill Road Landfill/Pond	Sidney Center	
Robintech,Inc./National Pipe Co.	Town of Vestal	
Rosen Brothers Scrap Yard/Dump	Cortland	
Rowe Industries Ground Water Contamination	Noyack/Sag Harbor	
Sarney Farm	Amenia	
Seneca Army Depot	Romulus	*Proposed*
Sidney Landfill	Sidney	
Sinclair Refinery	Wellsville	
SMS Instruments, Inc.	Deer Park	
Solvent Savers	Lincklaen	
Suffern Village Well Field	Village of Suffern	
Syosset Landfill	Oyster Bay	
Tri-Cities Barrel Co., Inc.	Port Crane	*Proposed*
Tronic Plating Co., Inc.	Farmingdale	
Vestal Water Supply Well 1-1	Vestal	
Vestal Water Supply Well 4-2	Vestal	
Volney Municipal Landfill	Town of Volney	
Warwick Landfill	Warwick	
Wide Beach Development	Brant	
York Oil Co.	Moira	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

NORTH CAROLINA Infrastructure Facts

***North Carolina's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of North Carolina's infrastructure needs.**

CLEAN WATER NEEDS IN NORTH CAROLINA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NORTH CAROLINA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$265	$184	$87	$45	$301	$329	$1	$1,212
Needs (with population growth)	408	223	87	45	432	603	1	1,799

U.S. Environmental Protection Agency

- Over just the next **five** years, 235 projects must be built for North Carolina's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $377.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN NORTH CAROLINA

- In North Carolina, 5 percent, or 1,317 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.
- Eight percent, or 434 miles, of urban highways and streets in North Carolina are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 32 percent of North Carolina's road and street mileage, but carry over 81 percent of the state's travel.

NORTH CAROLINA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	13	70	182	251	1,165	1,681
1988	9	54	96	211	947	1,317

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	7	6	135	121	276	545
1988	None	6	99	73	256	434

Federal Highway Administration

NORTH CAROLINA'S DEFICIENT BRIDGES

- North Carolina has a total of 16,297 bridges, of which 8,114 (50 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-nine percent of North Carolina's highway bridges on the federal-aid system are deficient, as are 61 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NORTH CAROLINA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	5,646	241	1,384	1,625	29
On State or Local Roads	10,651	791	5,728	6,519	61
NORTH CAROLINA TOTAL	16,297	1,032	7,112	8,114	50

Highway Bridge Replacement and Rehabilitation Program, 1990.

NORTH CAROLINA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NORTH CAROLINA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$211.5	$83.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN NORTH CAROLINA

- In North Carolina 3.37 million metric tons of hazardous waste were generated in 1986 -- 1.3 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 15 North Carolina sites on the National Priorities List for Superfund cleanup. An additional 7 sites located in North Carolina (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NORTH CAROLINA

Site Name	City/County	
ABC One Hour Cleaners	Jacksonville	
Aberdeen Pesticide Dumps	Aberdeen	
Benfield Industries, Inc.	Hazelwood	*Proposed*
Bypass 601 Ground Water Contamination	Concord	
Camp Lejeune Marine Corps Base	Onslow County	*Proposed*
Cape Fear Wood Preserving	Fayetteville	
Carolina Transformer Co.	Fayetteville	
Celanese Corp. (Shelby Fiber Operations)	Shelby	
Charles Macon Lagoon & Drum Storage	Cordova	
Chemtronics, Inc.	Swannanoa	
FCX, Inc. (Statesville Plant)	Statesville	*Proposed*
FCX, Inc. (Washington Plant)	Washington	
Geigy Chemical Corp. (Aberdeen Plant)	Aberdeen	*Proposed*
Hevi-Duty Electric Co.	Goldsboro	*Proposed*
Jadco-Hughes Facility	Belmont	
JFD Electronics/Channel Master	Oxford	*Proposed*
Koppers Co., Inc. (Morrisville Plant)	Morrisville	
Martin-Marietta, Sodyeco, Inc.	Charlotte	
National Starch & Chemical Corp.	Salisbury	*Proposed*
NC State U (Lot 86, Farm Unit #1)	Raleigh	
New Hanover County Airport Burn Pit	Wilmington	
Potter's Septic Tank Service Pits	Maco	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

NORTH DAKOTA Infrastructure Facts

***North Dakota's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of North Dakota's infrastructure needs.**

CLEAN WATER NEEDS IN NORTH DAKOTA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN NORTH DAKOTA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$15	0	0	$10	0	$6	0	$31
Needs (with population growth)	17	0	0	10	0	7	0	34

U.S. Environmental Protection Agency

- Over just the next five years, 12 projects must be built for North Dakota's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $45.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN NORTH DAKOTA

- In North Dakota 238,200 metric tons of hazardous waste were generated in 1986 -- 0.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 2 North Dakota sites (listed below) on the National Priorities List for Superfund cleanup.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN NORTH DAKOTA

Site Name	City/County
Arsenic Trioxide Site	Southeastern N.D.
Minot Landfill	Minot

U.S. Environmental Protection Agency, National Priorities List, May, 1989

HIGHWAY NEEDS IN NORTH DAKOTA

- In North Dakota, 3 percent, or 286 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 13,470 miles in the state are unpaved.

- Nine percent, or 58 miles, of urban highways and streets in North Dakota are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 29 percent of North Dakota's road and street mileage, but carry over 83 percent of the state's travel.

NORTH DAKOTA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	142	48	392	110	None	692
1988	185	39	62	None	None	286

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	4	None	29	None	1	34
1988	19	None	7	10	22	58

Federal Highway Administration

NORTH DAKOTA'S DEFICIENT BRIDGES

- North Dakota has a total of 5,231 bridges, of which 2,986 (57 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Forty percent of North Dakota's highway bridges on the federal-aid system are deficient, as are 66 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN NORTH DAKOTA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,781	149	551	700	40
On State or Local Roads	3,450	1,741	545	2,286	66
NORTH DAKOTA TOTAL	5,231	1,890	1,096	2,986	57

Highway Bridge Replacement and Rehabilitation Program, 1990.

NORTH DAKOTA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

NORTH DAKOTA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$51.2	$60.6

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

OHIO Infrastructure Facts

Ohio's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Ohio's infrastructure needs.

CLEAN WATER NEEDS IN OHIO

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN OHIO, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$577	$317	$278	$61	$565	$759	$584	$3,141
Needs (with population growth)	725	359	278	61	672	900	584	3,579

U.S. Environmental Protection Agency

- Over just the next **five** years, 40 projects must be built to bring Ohio's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $71.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 185 **additional** projects must be funded at a cost of $440.0 million.

HIGHWAY NEEDS IN OHIO

- In Ohio, 11 percent, or 2,666 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 696 miles in the state are unpaved.
- Ten percent, or 969 miles, of urban highways and streets in Ohio are rated **deficient**.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover 31 percent of Ohio's road and street mileage, but carry over 78 percent of the state's travel.

OHIO'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	41	42	84	846	1,369	2,382
1988	78	21	89	1,030	1,448	2,666

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	118	37	113	246	349	863
1988	137	18	125	286	403	969

Federal Highway Administration

OHIO'S DEFICIENT BRIDGES

- Ohio has a total of 29,222 bridges, of which 5,668 (19 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Seventeen percent of Ohio's highway bridges on the federal-aid system are deficient, as are 21 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN OHIO - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	12,335	1,915	147	2,062	17
On State or Local Roads	16,887	2,293	1,313	3,606	21
OHIO TOTAL	29,222	4,208	1,460	5,668	19

Highway Bridge Replacement and Rehabilitation Program, 1990.

OHIO'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

OHIO AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$405.9	$202.3

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN OHIO

- In Ohio 18.72 million metric tons of hazardous waste were generated in 1986 -- 7.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 29 Ohio sites on the National Priorities List for Superfund cleanup. An additional 5 sites located in Ohio (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN OHIO

Site Name	City/County	
Allied Chemical & Ironton Coke	Ironton	
Alsco Anaconda	Gnadenhutten	
Arcanum Iron & Metal	Darke County	
Big D Campground	Kingsville	
Bowers Landfill	Circleville	
Buckeye Reclamation	St. Clairsville	
Chem-Dyne	Hamilton	
Coshocton Landfill	Franklin Township	
E.H. Schilling Landfill	Hamilton Township	
Feed Materials Production Center (U.S. DOE)	Fernald	*Proposed*
Fields Brook	Ashtabula	
Fultz Landfill	Jackson Township	
General Electric Co. (Coshocton Plant)	Coshocton	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN OHIO (Continued)

Site Name	City/County	
Industrial Excess Landfill	Uniontown	
Laskin/Poplar Oil Co.	Jefferson Township	
Miami County Incinerator	Troy	
Mound Plant (U.S. DOE)	Miamisburg	*Proposed*
Nease Chemical	Salem	
New Lyme Landfill	New Lyme	
Old Mill	Rock Creek	
Ormet Corp.	Hannibal	
Powell Road Landfill	Dayton	
Pristine, Inc.	Reading	
Reilly Tar & Chemical Corp. (Dover Plant)	Dover	*Proposed*
Republic Steel Corp. Quarry	Elyria	
Sanitary Landfill Co. (Industrial Waste Disposal Co., Inc.)	Dayton	
Skinner Landfill	West Chester	
South Point Plant	South Point	
Summit National	Deerfield Township	
TRW, Inc. (Minerva Plant)	Minerva	
United Scrap Lead Co., Inc.	Troy	
Van Dale Junkyard	Marietta	
Wright-Patterson Air Force Base	Dayton	*Proposed*
Zanesville Well Field	Zanesville	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

OKLAHOMA Infrastructure Facts

***Oklahoma's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Oklahoma's infrastructure needs.**

CLEAN WATER NEEDS IN OKLAHOMA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN OKLAHOMA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$77	$73	$12	$12	$30	$81	0	$285
Needs (with population growth)	188	105	12	12	30	129	0	476

U.S. Environmental Protection Agency

- Over just the next **five** years, 7 projects must be built for Oklahoma's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $28.1 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN OKLAHOMA

- In Oklahoma 2.37 million metric tons of hazardous waste were generated in 1986 -- 0.9 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 8 Oklahoma sites on the National Priorities List for Superfund cleanup. An additional 3 sites located in Oklahoma (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN OKLAHOMA

Site Name	City/County	
Compass Industries (Avery Drive)	Tulsa	
Double Eagle Refinery Co.	Oklahoma City	
Fourth Street Abandoned Refinery	Oklahoma City	
Hardage/Criner	Criner	
Mosley Road Sanitary Landfill	Oklahoma City	*Proposed*
Oklahoma Refining Co.	Cyril	*Proposed*
Sand Springs Petrochemical Complex	Sand Springs	
Sunray Oil Co. Refinery	Allen	*Proposed*
Tar Creek (Ottawa County)	Ottawa County	
Tenth Street Dump/Junkyard	Oklahoma City	
Tinker Air Force Base (Soldier Creek/Building 3001)	Oklahoma City	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN OKLAHOMA

- In Oklahoma, 29 percent, or 6,469 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 8,724 miles in the state are unpaved.

- Twenty-four percent, or 1000 miles, of urban highways and streets in Oklahoma are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover 31 percent of Oklahoma's road and street mileage, but carry over 84 percent of the state's travel.

OKLAHOMA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	158	514	1,327	5,438	238	7,675
1988	199	400	1,409	4,206	255	6,469

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	61	43	105	246	349	804
1988	69	53	150	438	290	1,000

Federal Highway Administration

OKLAHOMA'S DEFICIENT BRIDGES

- Oklahoma has a total of 22,733 bridges, of which 12,258 (54 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-seven percent of Oklahoma's highway bridges on the federal-aid system are deficient, as are 65 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN OKLAHOMA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	8,725	1,269	1,951	3,220	37
On State or Local Roads	14,008	6,154	2,884	9,038	65
OKLAHOMA TOTAL	22,733	7,423	4,835	12,258	54

Highway Bridge Replacement and Rehabilitation Program, 1990.

OKLAHOMA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

OKLAHOMA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$115.2	$73.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

OREGON Infrastructure Facts

***Oregon's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Oregon's infrastructure needs.**

CLEAN WATER NEEDS IN OREGON

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN OREGON, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$211	$123	$45	$147	$296	$58	$102	$982
Needs (with population growth)	386	131	45	147	331	131	102	1,273

U.S. Environmental Protection Agency

- Over just the next **five** years, 115 projects must be built for Oregon's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $1,000.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN OREGON

- In Oregon 892,700 metric tons of hazardous waste were generated in 1986 -- 0.3 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 6 Oregon sites on the National Priorities List for Superfund cleanup. An additional 1 site located in Oregon (also listed below) is proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN OREGON

Site Name	City/County	
Allied Plating, Inc.	Portland	*Proposed*
Gould, Inc.	Portland	
Joseph Forest Products	Joseph	
Martin-Marietta Aluminum Co.	The Dalles	
Teledyne Wah Chang	Albany	
Umatilla Army Depot (Lagoons)	Hermiston	
United Chrome Products, Inc.	Corvallis	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN OREGON

- In Oregon, 16 percent, or 2,963 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 3,970 miles in the state are unpaved.
- Fourteen percent, or 397 miles, of urban highways and streets in Oregon are rated **deficient**.
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 27 percent of Oregon's road and street mileage, but carry over 90 percent of the state's travel.

OREGON'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	219	749	656	1,191	249	3,064
1988	213	592	793	1,111	254	2,963

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	34	15	133	60	135	377
1988	44	16	158	55	124	397

Federal Highway Administration

OREGON'S DEFICIENT BRIDGES

- Oregon has a total of 6,595 bridges, of which 1,095 (17 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Eleven percent of Oregon's highway bridges on the federal-aid system are deficient, as are 24 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN OREGON - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	3,765	221	186	407	11
On State or Local Roads	2,830	316	372	688	24
OREGON TOTAL	6,595	537	558	1,095	17

Highway Bridge Replacement and Rehabilitation Program, 1990.

OREGON'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

OREGON AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$91.5	$71.1

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

PENNSYLVANIA Infrastructure Facts

Pennsylvania's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Pennsylvania's infrastructure needs.

CLEAN WATER NEEDS IN PENNSYLVANIA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN PENNSYLVANIA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$570	$97	$16	$9	$500	$128	$119	$1,439
Needs (with population growth)	638	113	16	9	600	149	119	1,644

U.S. Environmental Protection Agency

- Over just the next **five** years, 45 projects must be built to bring Pennsylvania's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $144.2 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 850 **additional** projects must be funded at a cost of $3,004.0 million.

HIGHWAY NEEDS IN PENNSYLVANIA

- In Pennsylvania, 22 percent, or 5,378 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 451 miles in the state are unpaved.

- Twelve percent, or 1,142 miles, of urban highways and streets in Pennsylvania are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 30 percent of Pennsylvania's road and street mileage, but carry over 86 percent of the state's travel.

PENNSYLVANIA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	127	46	424	1,460	4,091	6,148
1988	78	56	200	1,086	3,958	5,378

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	15	6	295	294	566	1,176
1988	7	13	295	291	536	1,142

Federal Highway Administration

PENNSYLVANIA'S DEFICIENT BRIDGES

- Pennsylvania has a total of 22,660 bridges, of which 9,140 (40 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-five percent of Pennsylvania's highway bridges on the federal-aid system are deficient, as are 46 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN PENNSYLVANIA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	10,952	2,699	1,105	3,804	35
On State or Local Roads	11,708	3,414	1,922	5,336	46
PENNSYLVANIA TOTAL	22,660	6,113	3,027	9,140	40

Highway Bridge Replacement and Rehabilitation Program, 1990.

PENNSYLVANIA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

PENNSYLVANIA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$411.9	$433.4

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN PENNSYLVANIA

- In Pennsylvania 17.44 million metric tons of hazardous waste were generated in 1986 -- 6.7 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 71 Pennsylvania sites on the National Priorities List for Superfund cleanup. An additional 25 sites located in Pennsylvania (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN PENNSYLVANIA

Site Name	City/County	
A.I.W. Frank/Mid-County Mustang	Exton	*Proposed*
Aladdin Plating	Scott Township	
Ambler Asbestos Piles	Ambler	
Ametek, Inc. (Hunter Spring Division)	Hatfield	*Proposed*
AMP, Inc. (Glen Rock Facility)	Glen Rock	*Proposed*
Avco Lycoming (Williamsport Division)	Williamsport	*Proposed*
Bally Ground Water Contamination	Bally Borough	
Bell Landfill	Terry Township	*Proposed*
Bendix Flight Systems Division	Bridgewater Township	
Berkley Products Co. Dump	Denver	
Berks Landfill	Spring Township	*Proposed*
Berks Sand Pit	Longswamp Township	
Blosenski Landfill	West Caln Township	
Boarhead Farms	Bridgeton Township	
Brodhead Creek	Stroudsburg	
Brown's Battery Breaking	Shoemakersville	
Bruin Lagoon	Bruin Borough	
Butler Mine Tunnel	Pittston	
Butz Landfill	Stroudsburg	
C & D Recycling	Foster Township	
Centre County Kepone	State College Boro	
Commodore Semiconductor Group	Lower Providence Township	*Proposed*
Craig Farm Drum	Parker	
Croydon TCE	Croydon	
CryoChem, Inc.	Worman	*Proposed*
Delta Quarries & Disposal, Inc./Stotler Landfill	Antis/Logan Townships	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN PENNSYLVANIA (Continued)

Site Name	City/County	
Dorney Road Landfill	Upper Macungie Township	
Douglassville Disposal	Douglassville	
Drake Chemical	Lock Haven	
East Mount Zion	Springettsbury Township	
Eastern Diversified Metals	Hometown	*Proposed*
Elizabethtown Landfill	Elizabethtown	
Fischer & Porter Co.	Warminster	
Havertown PCP	Haverford	
Hebelka Auto Salvage Yard	Weisenberg Township	
Heleva Landfill	North Whitehall Township	
Hellertown Manufacturing Co.	Hellertown	
Henderson Road	Upper Merion Township	
Hranica Landfill	Buffalo Township	
Hunterstown Road	Straban Township	
Industrial Lane	Williams Township	
Jacks Creek/Sitkin Smelting & Refining, Inc.	Maitland	*Proposed*
Keyser Avenue Borehole	Scranton	*Proposed*
Keystone Sanitation Landfill	Union Township	
Kimberton Site	Kimberton Borough	
Lackawanna Refuse	Old Forge Borough	
Lansdowne Radiation Site	Lansdowne	
Letterkenny Army Depot (Property Disposal Office Area)	Franklin County	
Letterkenny Army Depot (Southeast Area)	Chambersburg	
Lindane Dump	Harrison Township	
Lord-Shope Landfill	Girard Township	
Malvern TCE	Malvern	
McAdoo Associates	McAdoo Borough	
Metal Banks	Philadelphia	
Middletown Air Field	Middletown	
Mill Creek Dump	Erie	
Modern Sanitation Landfill	Lower Windsor Township	
Moyers Landfill	Eagleville	
MW Manufacturing	Valley Township	
Naval Air Development Center (8 Waste Areas)	Warminster Township	*Proposed*
North Penn - Area 1	Souderton	
North Penn - Area 5	Montgomery Township	
North Penn - Area 6	Lansdale	
North Penn - Area 7	North Wales	
Novak Sanitary Landfill	South Whitehall Township	*Proposed*
Occidental Chemical Corp./Firestone Tire & Rubber Co.	Lower Pottsgrove Township	*Proposed*
Old City of York Landfill	Seven Valleys	
Osborne Landfill	Grove City	
Palmerton Zinc Pile	Palmerton	
Paoli Rail Yard	Paoli	*Proposed*
Publicker Industries, Inc.	Philadelphia	*Proposed*
Raymark	Hatboro	*Proposed*
Recticon/Allied Steel Corp.	East Coventry Township	*Proposed*
Reeser's Landfill	Upper Macungie Township	
Resin Disposal	Jefferson Borough	
Revere Chemical Co.	Nockamixon Township	
River Road Landfill (Waste Management, Inc.)	Hermitage	*Proposed*
Rohm and Haas Co. Landfill	Bristol Township	*Proposed*
Route 940 Drum Dump	Pocono Summit	
Saegertown Industrial Area	Saegertown	*Proposed*
Salford Quarry	Salford Township	*Proposed*
Shriver's Corner	Straban Township	
Stanley Kessler	King of Prussia	
Strasburg Landfill	Newlin Township	
Taylor Borough Dump	Taylor Borough	
Tonolli Corp.	Nesquehoning	*Proposed*
Transicoil, Inc.	Worcester	*Proposed*
Tysons Dump	Upper Merion Township	
Voortman Farm	Upper Saucon Township	
Walsh Landfill	Honeybrook Township	
Westinghouse Electric Corp. (Sharon Plant)	Sharon	*Proposed*
Westinghouse Elevator Co. Plant	Gettysburg	
Westline Site	Westline	
Whitmoyer Laboratories	Jackson Township	
William Dick Lagoons	West Caln Township	
York County Solid Waste and Refuse Authority Landfill	Hopewell Township	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

RHODE ISLAND Infrastructure Facts

Rhode Island's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Rhode Island's infrastructure needs.

CLEAN WATER NEEDS IN RHODE ISLAND

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN RHODE ISLAND, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$16	$4	0	0	$76	$62	$206	$364
Needs (with population growth)	37	4	0	0	91	70	206	408

U.S. Environmental Protection Agency

- Over just the next five years, 25 projects must be built for Rhode Island's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $63.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN RHODE ISLAND

- In Rhode Island 1.52 million metric tons of hazardous waste were generated in 1986 -- 0.6 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 8 Rhode Island sites on the National Priorities List for Superfund cleanup. An additional 3 sites located in Rhode Island (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN RHODE ISLAND

Site Name	City/County	
Central Landfill	Johnston	
Davis (GSR) Landfill	Glocester	
Davis Liquid Waste	Smithfield	
Davisville Naval Construction Battalion Center	North Kingstown	*Proposed*
Landfill & Resource Recovery, Inc. (L&RR)	North Smithfield	
Newport Naval Education & Training Center	Newport	*Proposed*
Peterson/Puritan, Inc.	Lincoln/Cumberland	
Picillo Farm	Coventry	
Rose Hill Regional Landfill	South Kingstown	*Proposed*
Stamina Mills, Inc.	North Smithfield	
Western Sand & Gravel	Burrillville	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN RHODE ISLAND

- In Rhode Island, 38 percent, or 197 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 2 miles in the state are unpaved.

- Twenty-three percent, or 280 miles, of urban highways and streets in Rhode Island are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 30 percent of Rhode Island's road and street mileage, but carry over 89 percent of the state's travel.

RHODE ISLAND'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	7	16	17	81	72	193
1988	8	15	19	83	72	197

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	10	6	31	62	149	258
1988	12	5	38	73	152	280

Federal Highway Administration

RHODE ISLAND'S DEFICIENT BRIDGES

- Rhode Island has a total of 697 bridges, of which 133 (19 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Sixteen percent of Rhode Island's highway bridges on the federal-aid system are deficient, as are 32 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN RHODE ISLAND - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	561	64	25	89	16
On State or Local Roads	136	26	18	44	32
RHODE ISLAND TOTAL	697	90	43	133	19

Highway Bridge Replacement and Rehabilitation Program, 1990.

RHODE ISLAND'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

RHODE ISLAND AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$23.8	$12.9

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

SOUTH CAROLINA Infrastructure Facts

South Carolina's infrastructure is the network of public facilities – roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works – that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of South Carolina's infrastructure needs.

CLEAN WATER NEEDS IN SOUTH CAROLINA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN SOUTH CAROLINA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$168	$23	$21	0	$76	$153	0	$441
Needs (with population growth)	260	32	21	0	99	272	0	684

U.S. Environmental Protection Agency

- Over just the next five years, 1 project must be built to bring South Carolina's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $1.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 114 additional projects must be funded at a cost of $290.4 million.

HIGHWAY NEEDS IN SOUTH CAROLINA

- In South Carolina, 4 percent, or 704 miles, of paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 93 miles are unpaved.

- Two percent, or 49 miles, of urban highways and streets in South Carolina are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover 33 percent of South Carolina's road and street mileage, but carry over 91 percent of the state's travel.

SOUTH CAROLINA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	45	22	123	271	640	1,101
1988	44	21	7	107	525	704

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	6	None	9	12	30	57
1988	3	None	5	11	30	49

Federal Highway Administration

SOUTH CAROLINA'S DEFICIENT BRIDGES

- South Carolina has a total of 8,917 bridges, of which 1,685 (19 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Seventeen percent of South Carolina's highway bridges on the federal-aid system are deficient, as are 20 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN SOUTH CAROLINA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	4,283	191	558	749	17
On State or Local Roads	4,634	686	250	936	20
SOUTH CAROLINA TOTAL	8,917	877	808	1,685	19

Highway Bridge Replacement and Rehabilitation Program, 1990.

SOUTH CAROLINA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

SOUTH CAROLINA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$83.2	$66.4

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN SOUTH CAROLINA

- In South Carolina 3.64 million metric tons of hazardous waste were generated in 1986 -- 1.4 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 14 South Carolina sites on the National Priorities List for Superfund cleanup. An additional 8 sites located in South Carolina (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN SOUTH CAROLINA

Site Name	City/County	
Beaunit Corp. (Circular Knit & Dyeing Plant)	Fountain Inn	*Proposed*
Carolawn, Inc.	Fort Lawn	
Elmore Waste Disposal	Greer	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN SOUTH CAROLINA (Continued)

Site Name	City/County	
Geiger (C & M Oil)	Rantoules	
Golden Strip Septic Tank Service	Simpsonville	
Helena Chemical Co. Landfill	Fairfax	*Proposed*
Independent Nail Co.	Beaufort	
Kalama Specialty Chemicals	Beaufort	
Koppers Co., Inc. (Florence Plant)	Florence	
Leonard Chemical Co., Inc.	Rock Hill	
Lexington County Landfill Area	Cayce	*Proposed*
Medley Farm Drum Dump	Gaffney	
Palmetto Recycling, Inc.	Columbia	
Palmetto Wood Preserving	Dixiana	
Rochester Property	Travelers Rest	*Proposed*
Rock Hill Chemical Co.	Rock Hill	*Proposed*
Sangamo Weston, Inc./Twelve-Mile Creek/Lake Hartwell PCB Contamination	Pickens	*Proposed*
Savannah River Site (U.S. DOE)	Aiken	*Proposed*
SCRDI Bluff Road	Columbia	
SCRDI Dixiana	Cayce	
Townsend Saw Chain Co.	Pontiac	*Proposed*
Wamchem, Inc.	Burton	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

SOUTH DAKOTA Infrastructure Facts

***South Dakota's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of South Dakota's infrastructure needs.**

CLEAN WATER NEEDS IN SOUTH DAKOTA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN SOUTH DAKOTA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$50	$3	$2	$2	$10	$12	$2	$81
Needs (with population growth)	54	3	2	2	10	14	2	87

U.S. Environmental Protection Agency

- Over just the next **five** years, 35 projects must be built for South Dakota's municipalities to **remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $63.4 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN SOUTH DAKOTA

- In South Dakota 152,000 metric tons of hazardous waste were generated in 1986 -- 0.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 1 South Dakota site (listed below) on the National Priorities List for Superfund cleanup.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN SOUTH DAKOTA

Site Name	City/County
Whitewood Creek	Whitewood

U.S. Environmental Protection Agency, National Priorities List, May, 1989

HIGHWAY NEEDS IN SOUTH DAKOTA

- In South Dakota, 12 percent, or 1,773 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 10,175 miles in the state are unpaved.

- Seven percent, or 39 miles, of urban highways and streets in South Dakota are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 27 percent of South Dakota's road and street mileage, but carry over 87 percent of the state's travel.

SOUTH DAKOTA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	140	174	1,302	155	1,771
1988	None	107	202	1,308	156	1,773

Federal Highway Administration

JRBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
987	None	None	1	31	20	52
988	None	None	None	22	17	39

Federal Highway Administration

SOUTH DAKOTA'S DEFICIENT BRIDGES

- South Dakota has a total of 6,769 bridges, of which 3,110 (46 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Sixteen percent of South Dakota's highway bridges on the federal-aid system are deficient, as are 66 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN SOUTH DAKOTA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	2,740	257	180	437	16
On State or Local Roads	4,029	1,477	1,196	2,673	66
SOUTH DAKOTA TOTAL	6,769	1,734	1,376	3,110	46

Highway Bridge Replacement and Rehabilitation Program, 1990.

SOUTH DAKOTA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

SOUTH DAKOTA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$71.1	$18.6

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

TENNESSEE Infrastructure Facts

Tennessee's infrastructure **is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Tennessee's infrastructure needs.**

CLEAN WATER NEEDS IN TENNESSEE

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN TENNESSEE, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$339	$73	$155	$18	$212	$92	$9	$898
Needs (with population growth)	479	105	155	18	280	421	9	1,467

U.S. Environmental Protection Agency

- Over just the next **five** years, 11 projects must be built to bring Tennessee's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $9.1 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 79 **additional** projects must be funded at a cost of $146.7 million.

HAZARDOUS WASTE SITES IN TENNESSEE

- In Tennessee 12.98 million metric tons of hazardous waste were generated in 1986 -- 5.0 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 10 Tennessee sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in Tennessee (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN TENNESSEE

Site Name	City/County	
American Creosote Works, Inc. (Jackson Plant)	Jackson	
Amnicola Dump	Chattanooga	
Arlington Blending & Packaging	Arlington	
Carrier Air Conditioning Co.	Collierville	*Proposed*
Gallaway Pits	Gallaway	
Lewisburg Dump	Lewisburg	
Mallory Capacitor Co.	Waynesboro	*Proposed*
Milan Army Ammunition Plant	Milan	
Murray-Ohio Dump	Lawrenceburg	
Murray-Ohio Manufacturing Co. (Horseshoe Bend Dump)	Lawrenceburg	*Proposed*
North Hollywood Dump	Memphis	
Oak Ridge Reservation (U.S. DOE)	Oak Ridge	*Proposed*
Velsicol Chemical Corp. (Hardeman County)	Toone	
Wrigley Charcoal Plant	Wrigley	

U.S. Environmental Protection Agency, National Priorities List, May, 1989

HIGHWAY NEEDS IN TENNESSEE

- In Tennessee, 45 percent, or 9,559 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 830 miles in the state are unpaved.

- Nine percent, or 382 miles, of urban highways and streets in Tennessee are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover 32 percent of Tennessee's road and street mileage, but carry over 89 percent of the state's travel.

TENNESSEE'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	325	65	346	1,642	6,851	9,226
1988	278	116	342	2,004	6,819	9,559

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	61	None	92	84	209	446
1988	58	None	96	110	118	382

Federal Highway Administration

TENNESSEE'S DEFICIENT BRIDGES

- Tennessee has a total of 18,607 bridges, of which 7,304 (39 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-four percent of Tennessee's highway bridges on the federal-aid system are deficient, as are 43 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN TENNESSEE - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	7,543	1,121	1,428	2,549	34
On State or Local Roads	11,064	3,017	1,738	4,755	44
TENNESSEE TOTAL	18,607	4,138	3,166	7,304	39

Highway Bridge Replacement and Rehabilitation Program, 1990.

TENNESSEE'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

TENNESSEE AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$195.7	$107.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

TEXAS Infrastructure Facts

Texas's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewer and wastewater treatment facilities, water supply facilities, dams, and other public works -- [illegible] every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a [illegible] condition. Here is a sampling of Texas's infrastructure needs.

CLEAN WATER NEEDS IN TEXAS

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN TEXAS, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$1,273	$415	$245	$79	$279	$1,015	0	$3,306
Needs (with population growth)	2,089	672	245	79	357	1,533	0	4,975

U.S. Environmental Protection Agency

- Over just the next five years, 1,289 projects must be built for Texas's municipalities to remain in compliance with water quality standards mandated by the Clean Water Act, at a cost of $3,307.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN TEXAS

- In Texas, 5 percent, or 3,355 miles, of paved rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 55 miles in the state are unpaved.

- Eleven percent, or 2,010 miles, of urban highways and streets in Texas are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 30 percent of Texas' road and street mileage, but carry over 81 percent of the state's travel.

TEXAS' DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	90	132	145	2,278	1,722	4,367
1988	66	126	242	1,562	1,359	3,355

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	126	17	164	632	1,364	2,303
1988	84	9	166	538	1,213	2,010

Federal Highway Administration

TEXAS' DEFICIENT BRIDGES

- Texas has a total of 44,718 bridges, of which 14,149 (32 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Eighteen percent of Texas's highway bridges on the federal-aid system are deficient, as are 52 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN TEXAS - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	26,715	1,296	3,485	4,781	18
On State or Local Roads	18,003	4,200	5,168	9,368	52
TEXAS TOTAL	44,718	5,496	8,653	14,149	32

Highway Bridge Replacement and Rehabilitation Program, 1990.

TEXAS' AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

TEXAS AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$1,151.8	$814.6

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN TEXAS

- In Texas 33.79 million metric tons of hazardous waste were generated in 1986 – 13.0 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 24 Texas sites on the National Priorities List for Superfund cleanup. An additional 5 sites located in Texas (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN TEXAS

Site Name	City/County	
Air Force Plant # 4 (General Dynamics)	Fort Worth	*Proposed*
Bailey Waste Disposal	Bridge City	
Bio-Ecology Systems, Inc.	Grand Prairie	
Brio Refininf, Inc.	Friendswood	
Crystal Chemical Co.	Houston	
Crystal City Airport	Crystal City	
Dixie Oil Processors, Inc.	Friendswood	*Proposed*
French, Ltd.	Crosby	
Geneva Industries/Fuhrmann Energy	Houston	
Highlands Acid Pit	Highlands	
Koppers Co., Inc. (Texarkana Plant)	Texarkana	

SUPERFUND NATIONAL PRIORITIES LIST SITES IN TEXAS (Continued)

Site Name	City/County	
Lone Star Army Ammunition Plant	Texarkana	
Longhorn Army Ammunition Plant	Karnack	*Proposed*
Motco, Inc.	La Marque	
North Cavalcade Street	Houston	
Odessa Chromium #1	Odessa	
Odessa Chromium #2 (Andrews Highway)	Odessa	
Pesses Chemical Co.	Fort Worth	
Petro-Chemical Systems, Inc. (Turtle Bayou)	Liberty County	
Rio Grande Oil Co. Refinery	Sour Lake	*Proposed*
Sheridan Disposal Services	Hempstead	
Sikes Disposal Pits	Crosby	
Sol Lynn/Industrial Transformers	Houston	
South Cavalcade Street	Houston	
Sprwco, Inc.	Waskom	
Tex-Tin Corp.	Texas City	*Proposed*
Texarkana Wood Preserving Co.	Texarkana	
Triangle Chemical Co.	Bridge City	
United Creosoting Co.	Conroe	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

UTAH Infrastructure Facts

Utah's infrastructure **is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Utah's infrastructure needs.**

CLEAN WATER NEEDS IN UTAH

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN UTAH, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$173	$32	$39	$4	$24	$20	0	$292
Needs (with population growth)	397	65	39	4	31	47	0	583

U.S. Environmental Protection Agency

- Over just the next five years, 39 projects must be built for Utah's municipalities to **remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $77.9 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN UTAH

- In Utah 965,500 metric tons of hazardous waste were generated in 1986 -- 0.4 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 5 Utah sites on the National Priorities List for Superfund cleanup. An additional 7 sites located in Utah (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN UTAH

Site Name	City/County	
Hill Air Force Base	Ogden	
Midvale Slag	Midvale	*Proposed*
Monticello Mill Tailings (U.S. DOE)	Monticello	*Proposed*
Monticello Radioactively Contaminated Properties	Monticello	
Ogden Defense Depot	Ogden	
Portland Cement (Kiln Dust 2 & 3)	Salt Lake City	
Richardson Flat Tailings	Summit County	*Proposed*
Rose Park Sludge Pit	Salt Lake City	
Sharon Steel Corp. (Midvale Tailings)	Midvale	*Proposed*
Tooele Army Depot (North Area)	Tooele	*Proposed*
Utah Power & Light/American Barrel Co.	Salt Lake City	*Proposed*
Wasatch Chemical Co. (Lot 6)	Salt Lake City	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN UTAH

- In Utah, 4 percent, or 311 miles, of rural highway miles in the state are rated as deficient under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.

- Eight miles of urban highways and streets in Utah are rated deficient.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 28 percent of Utah's road and street mileage, but carry over 84 percent of the state's travel.

UTAH'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	9	1	None	73	197	280
1988	12	1	24	78	196	311

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	None	1	23	16	40
1988	None	None	2	3	3	8

Federal Highway Administration

UTAH'S DEFICIENT BRIDGES

- Utah has a total of 2,602 bridges, of which 329 (13 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Six percent of Utah's highway bridges on the federal-aid system are deficient, as are 23 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN UTAH - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,599	70	30	100	6
On State or Local Roads	1,003	171	58	229	23
UTAH TOTAL	2,602	241	88	329	13

Highway Bridge Replacement and Rehabilitation Program, 1990.

UTAH'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

UTAH AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$119.8	$93.4

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

VERMONT Infrastructure Facts

***Vermont's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Vermont's infrastructure needs.**

CLEAN WATER NEEDS IN VERMONT

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN VERMONT, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$63	$28	$1	$4	$16	$16	$74	$202
Needs (with population growth)	65	29	1	4	20	16	. 74	209

U.S. Environmental Protection Agency

- Over just the next **five** years, 5 projects must be built to bring Vermont's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $10.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 20 **additional** projects must be funded at a cost of $46.1 million.

HAZARDOUS WASTE SITES IN VERMONT

- In Vermont 217,000 metric tons of hazardous waste were generated in 1986 -- 0.1 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 4 Vermont sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in Vermont (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN VERMONT

Site Name	City/County	
Bennington Municipal Sanitary Landfill	Bennington	
BFI Sanitary Landfill (Rockingham)	Rockingham	*Proposed*
Burgess Brothers Landfill	Woodford	
Darling Hill Dump	Lyndon	*Proposed*
Old Springfield Landfill	Springfield	
Parker Sanitary Landfill	Lyndon	*Proposed*
Pine Street Canal	Burlington	
Tansitor Electronics, Inc.	Bennington	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN VERMONT

- In Vermont, 8 percent, or 237 miles, of rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 461 miles in the state are unpaved.

- Five percent, or 17 miles, of urban highways and streets in Vermont are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 33 percent of Vermont's road and street mileage, but carry over 86 percent of the state's travel.

VERMONT'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	11	None	36	127	63	237
1988	11	None	36	127	63	237

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	3	None	4	3	7	17
1988	3	None	4	3	7	17

Federal Highway Administration

VERMONT'S DEFICIENT BRIDGES

- Vermont has a total of 2,663 bridges, of which 1,300 (49 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-four percent of Vermont's highway bridges on the federal-aid system are deficient, as are 63 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN VERMONT - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,298	182	259	441	34
On State or Local Roads	1,365	336	523	859	63
VERMONT TOTAL	2,663	518	782	1,300	49

Highway Bridge Replacement and Rehabilitation Program, 1990.

VERMONT'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

VERMONT AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$13.5	$16.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

VIRGINIA Infrastructure Facts

***Virginia's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Virginia's infrastructure needs.**

CLEAN WATER NEEDS IN VIRGINIA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN VIRGINIA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$226	$45	$30	$10	$120	$118	$206	$755
Needs (with population growth)	316	83	30		10 146	166	206	957

U.S. Environmental Protection Agency

- Over just the next five years, 173 projects must be built for Virginia's municipalities **to remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $1,040.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HAZARDOUS WASTE SITES IN VIRGINIA

- In Virginia 4.34 million metric tons of hazardous waste were generated in 1986 -- 1.7 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 12 Virginia sites on the National Priorities List for Superfund cleanup. An additional 9 sites located in Virginia (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN VIRGINIA

Site Name	City/County	
Abex Corp.	Portsmouth	*Proposed*
Arrowhead Associaties/Scovill Corp.	Montross	*Proposed*
Atlantic Wood Industries, Inc.	Portsmouth	*Proposed*
Avtex Fibers, Inc.	Front Royal	
Buckingham County Landfill	Buckingham	*Proposed*
C & K Battery Co., Inc.	Chesterfield County	
Chisman Creek	York County	
Culpeper Wood Preservers, Inc.	Culpeper	*Proposed*
Defense General Supply Center	Chesterfield County	
Dixie Caverns County Landfill	Salem	*Proposed*
First Piedmont Corp. Rock Quarry (Route 719)	Pittsylvania County	
Greenwood Chemical Co.	Newtown	
H & H Inc., Burn Pit	Farrington	
IBM Corp. (Manassas Plant Spill)	Manassas	*Proposed*
L.A. Clarke & Son	Spotsylvania County	
Rentokil, Inc. (Virginia Wood Preserving Division)	Richmond	
Rhinehart Tire Fire Dump	Frederick County	
Saltville Waste Disposal Ponds	Saltville	
Saunders Supply Co.	Chuckatuck	*Proposed*
Suffolk City Landfill	Suffolk	*Proposed*
U.S. Titanium	Piney River	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN VIRGINIA

- In Virginia, 12 percent, or 2,230 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction.

- Eight percent, or 379 miles, of urban highways and streets in Virginia are rated **deficient.**

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 34 percent of Virginia's road and street mileage, but carry over 85 percent of the state's travel.

VIRGINIA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	150	138	292	1,224	286	2,090
1988	167	188	229	1,377	269	2,230

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	15	4	82	99	107	307
1988	44	8	82	127	118	379

Federal Highway Administration

VIRGINIA'S DEFICIENT BRIDGES

- Virginia has a total of 12,729 bridges, of which 4,436 (35 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Twenty-six percent of Virginia's highway bridges on the federal-aid system are deficient, as are 45 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN VIRGINIA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	6,919	787	1,012	1,799	26
On State or Local Roads	5,810	833	1,804	2,637	45
VIRGINIA TOTAL	12,729	1,620	2,816	4,436	35

Highway Bridge Replacement and Rehabilitation Program, 1990.

VIRGINIA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

VIRGINIA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$89.6	$33.7

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

WASHINGTON Infrastructure Facts

***Washington's infrastructure* is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Washington's infrastructure needs.**

CLEAN WATER NEEDS IN WASHINGTON

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN WASHINGTON, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$865	$18	$130	$79	$207	$287	$557	$2,143
Needs (with population growth)	1,054	23	130	79	299	543	557	2,685

U.S. Environmental Protection Agency

- Over just the next **five** years, 11 projects must be built to bring Washington's municipalities **into compliance** with water quality standards mandated by the Clean Water Act, at a cost of $886.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To **remain in compliance** with these standards, in the next five years 3 **additional** projects must be funded at a cost of $2,690.0 million.

HIGHWAY NEEDS IN WASHINGTON

- In Washington, 2 percent, or 371 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 1,913 miles in the state are unpaved.

- Four percent, or 211 miles, of urban highways and streets in Washington are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 29 percent of Washington's road and street mileage, but carry over 90 percent of the state's travel.

WASHINGTON'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	1	57	8	237	459	762
1988	1	6	6	52	306	371

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	6	5	42	116	100	269
1988	9	None	35	89	78	211

Federal Highway Administration

Rebuild America Coalition **March, 1990**

WASHINGTON'S DEFICIENT BRIDGES

- Washington has a total of 6,911 bridges, of which 1,970 (29 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Thirty-two percent of Washington's highway bridges on the federal-aid system are deficient, as are 23 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN WASHINGTON - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	4,042	639	665	1,304	32
On State or Local Roads	2,869	309	357	666	23
WASHINGTON TOTAL	6,911	948	1,022	1,970	29

Highway Bridge Replacement and Rehabilitation Program, 1990.

WASHINGTON'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

WASHINGTON AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$150.1	$141.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN WASHINGTON

- In Washington 6.01 million metric tons of hazardous waste were generated in 1986 -- 2.3 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 25 Washington sites on the National Priorities List for Superfund cleanup. An additional 20 sites located in Washington (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WASHINGTON

Site Name	City/County	
ALCOA (Vancouver Smelter)	Vancouver	*Proposed*
American Crossarm & Conduit Co.	Chehalis	*Proposed*
American Lake Gardens	Tacoma	
Bangor Naval Submarine Base	Silverdale	*Proposed*
Bangor Ordinance Disposal	Bremerton	
Bonneville Power Administration Ross Complex (U.S. DOE)	Vancouver	*Proposed*
Centralia Municipal Landfill	Centralia	*Proposed*
Colbert Landfill	Colbert	
Commencement Bay, Near Shore/Tide Flats	Pierce County	
Commencement Bay, South Tacoma Channel	Tacoma	
Fairchild Air Force Base (4 Waste Areas)	Spokane County	
FMC Corp. (Yakima Pit)	Yakima	
Fort Lewis (Landfill No. 5)	Tacoma	
Fort Lewis Logistics Center	Tillicum	*Proposed*
Frontier Hard Chrome, Inc.	Vancouver	
General Electric Co. (Spokane Shop)	Spokane	*Proposed*

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WASHINGTON (Continued)

Site Name	City/County	
Greenacres Landfill	Spokane County	
Hanford 100-Area (USDOE)	Benton County	*Proposed*
Hanford 1100-Area (USDOE)	Benton County	*Proposed*
Hanford 200-Area (USDOE)	Benton County	*Proposed*
Hanford 300-Area (USDOE)	Benton County	*Proposed*
Harbor Island (Lead)	Seattle	
Hidden Valley Landfill (Thun Field)	Pierce County	
Kaiser Aluminum Mead Works	Mead	
Lakewood Site	Lakewood	
McChord Air Force Base (Wash Rack/Treatment Area)	Tacoma	
Mica Landfill	Mica	
Midway Landfill	Kent	
Naval Air Station, Whidbey Island (Ault Field)	Whidbey Island	*Proposed*
Naval Air Station, Whidbey Island (Seaplane Base)	Whidbey Island	*Proposed*
Naval Undersea Warfare Engineering Station (4 Waste Areas)	Keyport	*Proposed*
Northside Landfill	Spokane	
Northwest Transformer	Everson	
Northwest Transformer (South Harkness Street)	Everson	*Proposed*
Old Inland Pit	Spokane	*Proposed*
Pacific Car & Foundry Co.	Renton	*Proposed*
Pasco Sanitary Landfill	Pasco	*Proposed*
Pesticide Lab (Yakima)	Yakima	
Queen City Farms	Maple Valley	
Seattle Municipal Landfill (Kent Highlands)	Kent	*Proposed*
Silver Mountain Mine	Loomis	
Tosco Corp. (Spokane Terminal)	Spokane	*Proposed*
Western Processing Co., Inc.	Kent	
Wyckoff Co./Eagle Harbor	Bainbridge Island	
Yakima Plating Co.	Yakima	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

WEST VIRGINIA Infrastructure Facts

West Virginia's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of West Virginia's infrastructure needs.

CLEAN WATER NEEDS IN WEST VIRGINIA

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN WEST VIRGINIA, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$276	$21	$23	$17	$334	$168	$13	$852
Needs (with population growth)	314	23	23	17	387	199	13	976

U.S. Environmental Protection Agency

- Over just the next five years, 28 projects must be built to bring West Virginia's municipalities into compliance with water quality standards mandated by the Clean Water Act, at a cost of $75.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). To remain in compliance with these standards, in the next five years 48 additional projects must be funded at a cost of $123.9 million.

HAZARDOUS WASTE SITES IN WEST VIRGINIA

- The Environmental Protection Agency has placed 5 West Virginia sites on the National Priorities List for Superfund cleanup. An additional 1 site located in West Virginia (also listed below) is proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WEST VIRGINIA

Site Name	City/County	
Fike Chemical, Inc.	Nitro	
Follansbee Site	Follansbee	
Leetown Pesticide	Leetown	
Mobay Chemical Corp. (New Martinsville Plant)	New Martinsville	*Proposed*
Ordnance Works Disposal Areas	Morgantown	
West Virginia Ordnance	Point Pleasant	

U.S. Environmental Protection Agency, National Priorities List, May, 1989

HIGHWAY NEEDS IN WEST VIRGINIA

- In West Virginia, 23 percent, or 2,495 miles, of all paved rural highway miles in the state are roads rated as **deficient** in 1988 under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 145 miles in the state are unpaved rural roads.

- Sixteen percent, or 170 miles, of urban highways and streets in West Virginia were rated **deficient** in 1988.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 36 percent of West Virginia's road and street mileage, but carry over 92 percent of the state's travel.

WEST VIRGINIA'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	8	36	185	1,310	950	2,491
1988	10	38	185	1,312	950	2,495

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	None	13	12	32	111	168
1988	None	13	12	34	111	170

Federal Highway Administration

WEST VIRGINIA'S DEFICIENT BRIDGES

- West Virginia has a total of 6,440 bridges, of which 3,828 (59 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Forty-nine percent of West Virginia's highway bridges on the federal-aid system are deficient, as are 70 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN WEST VIRGINIA - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	3,308	1,152	474	1,626	49
On State or Local Roads	3,132	1,480	722	2,202	70
WEST VIRGINIA TOTAL	6,440	2,632	1,196	3,828	59

Secretary of Transportation Report to Congress, Highway Bridge Replacement and Rehabilitation Program, 1989.

WEST VIRGINIA'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

WEST VIRGINIA AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$42.4	$5.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

WISCONSIN Infrastructure Facts

Wisconsin's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Wisconsin's infrastructure needs.

CLEAN WATER NEEDS IN WISCONSIN

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN WISCONSIN, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$513	$141	$56	$2	$131	$139	$222	$1,204
Needs (with population growth)	582	198	56	2	180	159	222	1,399

U.S. Environmental Protection Agency

- Over just the next five years, 152 projects must be built for Wisconsin's municipalities to **remain in compliance** with water quality standards mandated by the Clean Water Act, at a cost of $625.0 million, according to a survey by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA).

HIGHWAY NEEDS IN WISCONSIN

- In Wisconsin, 12 percent, or 3,393 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 195 miles in the state are unpaved.

- Fifteen percent, or 672 miles, of urban highways and streets in Wisconsin are rated **deficient**.

- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 31 percent of Wisconsin's road and street mileage, but carry over 81 percent of the state's travel.

WISCONSIN'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	129	211	426	1,959	578	3,303
1988	116	218	486	1,893	680	3,393

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	14	27	178	297	377	893
1988	21	18	136	249	248	672

Federal Highway Administration

WISCONSIN'S DEFICIENT BRIDGES

- Wisconsin has a total of 12,995 bridges, of which 5,158 (40 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).

- Thirty-one percent of Wisconsin's highway bridges on the federal-aid system are deficient, as are 48 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN WISCONSIN - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	6,389	1,614	388	2,002	31
On State or Local Roads	6,606	2,225	931	3,156	48
WISCONSIN TOTAL	12,995	3,839	1,319	5,158	40

Highway Bridge Replacement and Rehabilitation Program, 1990.

WISCONSIN'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

WISCONSIN AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$216.3	$56.0

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

HAZARDOUS WASTE SITES IN WISCONSIN

- In Wisconsin 3.11 million metric tons of hazardous waste were generated in 1986 -- 1.2 % of all hazardous waste generated in the U.S. that year.

- The Environmental Protection Agency has placed 35 Wisconsin sites on the National Priorities List for Superfund cleanup. An additional 4 sites located in Wisconsin (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WISCONSIN

Site Name	City/County
Algoma Municipal Landfill	Algoma
City Disposal Corp. Landfill	Dunn
Delavan Municipal Well #4	Delavan

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WISCONSIN (Continued)

Site Name	City/County	
Eau Claire Municipal Well Field	Eau Claire	
Fadrowski Drum Disposal	Franklin	
Fort Howard Paper Co. Sludge Lagoons	Green Bay	*Proposed*
Hagen Farm	Stoughton	
Hechimovich Sanitary Landfill	Williamstown	
Hunts Disposal Landfill	Caledonia	
Janesville Ash Beds	Janesville	
Janesville Old Landfill	Janesville	
Kohler Co. Landfill	Kohler	
Lauer I Sanitary Landfill	Menomonee Falls	
Lemberger Landfill, Inc.	Whitelaw	
Lemberger Transport & Recycling	Franklin Township	
Madison Metropolitan Sewage District Lagoons	Blooming Grove	*Proposed*
Master Disposal Service Landfill	Brookfield	
Mid-State Disposal, Inc. Landfill	Cleveland Township	
Moss-American (Kerr-McGee Oil Co.)	Milwaukee	
Muskego Sanitary Landfill	Muskego	
N.W. Mauthe Co., Inc.	Appleton	
National Presto Industries, Inc.	Eau Claire	
Northern Engraving Co.	Sparta	
Oconomowoc Electroplating Co. Inc.	Ashippin	
Omega Hills North Landfill	Germantown	
Onalaska Municipal Landfill	Onalaska	
Sauk County Landfill	Excelsior	*Proposed*
Schmalz Dump	Harrison	
Scrap Processing Co., Inc.	Medford	
Sheboygan Harbor & River	Sheboygan	
Spickler Landfill	Spencer	
Stoughton City Landfill	Stoughton	
Tomah Armory	Tomah	
Tomah Fairgrounds	Tomah	
Tomah Municipal Sanitary Landfill	Tomah	
Waste Management of Wisconsin, Inc.	Brookfield	*Proposed*
Waste Research & Reclamation Co.	Eau Claire	
Wausau Ground Water Contamination	Wausau	
Wheeler Pit	La Prairie Township	

U.S. Environmental Protection Agency, National Priorities List, July, 1989

WYOMING Infrastructure Facts

Wyoming's infrastructure is the network of public facilities -- roads, bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams, and other public works -- that Americans rely on every day to provide the foundation for economic activity and our quality of life. Many of these facilities are inadequate to meet current needs and are in a deteriorating condition. Here is a sampling of Wyoming's infrastructure needs.

CLEAN WATER NEEDS IN WYOMING

- The Environmental Protection Agency has estimated the capital costs needed to build the publicly-owned municipal wastewater treatment facilities required to comply with the Clean Water Act. EPA computes the investment needed between now and the year 2008 for two situations: first, to meet the needs of the current state population, and secondly, to meet the needs when the state's anticipated population growth through 2008 is taken into account.

PUBLIC WASTEWATER TREATMENT NEEDS IN WYOMING, 1988 THROUGH 2008 (Millions of Dollars)

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow Correction	Replacement/ Rehabilitation	New Collector Sewers	New Interceptor Sewers	Combined Sewer Overflow	TOTAL
Needs (with no population growth)	$8	0	$1	$2	$1	$5	0	$17
Needs (with population growth)	9	0	1	2	1	5	0	18

U.S. Environmental Protection Agency

HAZARDOUS WASTE SITES IN WYOMING

- In Wyoming 494.1 million metric tons of hazardous waste were generated in 1986 -- 0.2 % of all hazardous waste generated in the U.S. that year.
- The Environmental Protection Agency has placed 1 Wyoming site on the National Priorities List for Superfund cleanup. An additional 2 sites located in Wyoming (also listed below) are proposed for addition to the Superfund List.

SUPERFUND NATIONAL PRIORITIES LIST SITES IN WYOMING

Site Name	City/County	
Baxter/Union Pacific Tie Treating	Laramie	
F.E.Warren Air Force Base	Cheyenne	*Proposed*
Mystery Bridge Rd./U.S. Highway 20	Evansville	*Proposed*

U.S. Environmental Protection Agency, National Priorities List, July, 1989

HIGHWAY NEEDS IN WYOMING

- In Wyoming, 5 percent, or 418 miles, of paved rural highway miles in the state are rated as **deficient** under the Federal Highway Administration pavement conditions rating system; that is, the pavement is in "poor" condition and is therefore in need of resurfacing, rehabilitation, or reconstruction. An additional 6,099 miles in the state are unpaved.
- Four percent, or 24 miles, of urban highways and streets in Wyoming are rated **deficient.**
- These statistics do not include local streets and roads. The highway classifications represented in the following tables cover only 36 percent of Wyoming's road and street mileage, but carry over 90 percent of the state's travel.

WYOMING'S DEFICIENT ROADWAY MILES

RURAL

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
1987	None	4	25	None	386	415
1988	None	4	24	None	390	418

Federal Highway Administration

URBAN

	Interstate	Other Freeways, Expressways	Principal Arterial	Minor Arterial	Collector Roads	TOTAL
1987	2	None	5	7	8	22
1988	2	None	2	12	8	24

Federal Highway Administration

WYOMING'S DEFICIENT BRIDGES

- Wyoming has a total of 2,827 bridges, of which 632 (22 percent) are either structurally deficient or functionally obsolete (meaning the bridge is inadequate for current loads and traffic).
- Seven percent of Wyoming's highway bridges on the federal-aid system are deficient, as are 55 percent of the bridges on state and local roads off the federal aid system.

NUMBER OF DEFICIENT BRIDGES IN WYOMING - JUNE, 1989

	Bridges in Inventory	Structurally Deficient Bridges	Functionally Obsolete Bridges	Total Deficient Bridges	Percent Deficient
On Highways Eligible for Federal Aid	1,897	46	79	125	7
On State or Local Roads	930	259	248	507	55
WYOMING TOTAL	2,827	305	327	632	22

Highway Bridge Replacement and Rehabilitation Program, 1990.

WYOMING'S AIR TRANSPORTATION SYSTEM NEEDS

- The U.S. Department of Transportation has developed an integrated plan for airport development and expansion to meet the nation's needs for both commercial and general aviation through the year 1995. For the nation as a whole, air traffic is expected to grow 5 percent annually through 1995.

WYOMING AIRPORT CAPITAL NEEDS (Millions of Dollars)

	1986-1990	1991-1995
Airport Needs	$77.2	$26.8

Secretary of Transportation Report to Congress, National Plan of Integrated Airport Systems (NPIAS): 1986-1995, November, 1987.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

WEDNESDAY, JUNE 13, 1990

House of Representatives,
Committee on Public Works and Transportation,
Washington, DC.

The committee met, pursuant to call, at 10:00 a.m., in Room 2167, Rayburn House Office Building, Hon. Glenn M. Anderson [chairman of the committee] presiding.

The Chairman. The meeting will please come to order. Before we begin, I will insert into the record at this point a background paper and summary of today's hearing.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HEARING: INFRASTRUCTURE AND AMERICA'S ECONOMIC FUTURE
(The Impact of Infrastructure on the Nation's Productivity, Economic Growth and Competitiveness)

WEDNESDAY, JUNE 13, 1990

BACKGROUND

Productivity---the relationship of goods and services produced in the economy compared to the resources, or factors of production, used to produce them---is vital to growth of the American economy and to meet the needs of our society. Over the long term rising productivity is the source for raising real incomes and for providing for a high standard of living. Improving productivity creates and preserves jobs and enables U.S. businesses to compete effectively in world markets.

However, many U. S. industries no longer have the same competitive edge which enabled this country to take the lead in the world's economy. Our trade deficit continues to be very high, giving us the dubious honor of being the world's largest debtor nation. Ironically, much of this occurred during the past 8 years of extraordinary economic expansion.

At the present time, the U.S. probably has the highest labor productivity in the world, but it is questionable how much longer that will last. Last week the Labor Department released new figures indicating that productivity of U. S. non-farm business plunged at an annual rate of 2.7% in the first quarter of this year---the largest drop since the last quarter of 1981, when the Nation was in a deep recession.

The data reflect that most productivity and unit labor cost problems are concentrated in the services sector rather than in manufacturing. However, it also shows that the downward trend in the Nation's productivity growth rate is continuing. This fuels the long-standing concern that the Nation has not been able to show significant productivity growth for several years. A downward revision in productivity often reflects a downturn in the gross national product (GNP), and the Department of Commerce did recently revise its estimate for the first quarter of the year that the GNP grew at an annual rate of 1.3%, adjusted for inflation, instead of 2.1%.

Several possible remedies have been proposed advocating an important role for private capital investment to deal with the Nation's economic problems such as new management techniques, more flexible manufacturing, more education, a focus on research and development, investment in new plant and equipment. However, there is growing consideration over the vital role that capital investment in our public works facilities should play in promoting and enhancing national economic growth.

Economic research in recent years has tied the level of public spending on infrastructure--Federal, State and local--to the productivity growth rate in the private sector. The U.S. productivity growth rate fell from 1.8% annually in the 1960's to 0.7% during the early 1980's. During the same period, the annual growth rate for investment in infrastructure fell from 4.5% to 0.8%.

Our productivity is growing much more slowly than in other developed countries, particularly the so-called Group of Seven nations (Japan, West Germany, Canada, France, Italy, the United Kingdom and the U.S.). West Germany has an impressive growth rate of 2.9% and in Japan, it is 3.1%. These countries also invest almost twice as much in their public works as does the United States. In fact, the U.S. now ranks 55th in the world in capital investment in infrastructure.

There is little doubt that infrastructure investments have historically made a vital contribution to our Nation's economic growth and well-being. Nevertheless, for over 20 years, we have been shortchanging our public works. Total public spending on infrastructure dropped from 3.6% of GNP in 1960 to 2.6% in 1985. Some statistics show a greater drop to a low of 2% of GNP in the early 1980's rebounding to 2.2% by 1987. While spending on operations and maintenance has remained a constant share of GNP, capital spending has dropped from 2.3% of GNP in 1960 to 1.1% today. The relative share of public works spending at all levels of government declined from nearly 20% of total expenditures in 1950 to less than 7% in 1984.

Many economists feel this underinvestment and slow growth rate of our productivity means trouble ahead as other nations, particularly Germany and Japan, surpass us. Among them is Dr. David Aschauer, a senior economist with the Federal Reserve Bank of Chicago and one of today's witnesses. He considers this to be at the heart of our problems with international competitiveness and chronic trade deficits.

Aschauer, one of the economists at the Committee's Roundtable discussion on Infrastructure: Productivity, Growth and Competitiveness in March told Members that he believes there is a strong correlation between public investment in infrastructure and growth in productivity in the private sector. Based on his research, he has determined that infrastructure spending makes private investment in plant and equipment more profitable. He goes further than many by stating that the decline in our productivity growth over the last 20 years is directly related to diminished public capital investment and that infrastructure investment raises the national (private plus public) investment rate.

Aschauer suggests that continued delay in making public works investments will increase costs but acting now will bring enormous benefits. He has concluded that an increase in the level of public investment by one percent of gross output yields a gain in productive growth of about 0.4% per year.

Other economists who participated with Aschauer in the Committee's Roundtable discussion were Dr. Pat Choate, Vice President, Policy Analysis, TRW, Inc. who served as moderator of the panel; Dr. W. David Montgomery, Assistant Director for Natural Resources and Commerce at CBO; Dr. Michael E. Bell, at the Institute for Policy Studies, The Johns Hopkins University; and Dr. Charles R. Hulten, Professor of Economics and the Univeristy of Maryland.

Dr. Choate was one of the first to express concern nationally about the condition of our infrastructure, particularly roads, its importance to the economy, and the need for full information as to the costs of needed action as well as the costs of inaction. He suggests that American leaders consider using Social Security funds to invest in our National infrastructure.

Dr. Montgomery believes that infrastructure contributes to economic growth but points out that there are many causes for the downward trend in our productivity growth rate. He believes that a cost-benefit approach to project selection combined with efficient pricing strategies in using public systems would lead to a more efficient use of our public capital investments generating productivity gains without massive increased spending.

Dr. Bell views the role of transportation in regional economic development as potentially important but points to the need for further research to identify relationships that will allow for more complete analysis of whether investment in transportation infrastructure in a particular area and for particular reasons will lead to increased private sector investment and presumably " economic development".

Dr. Hulten argues that good infrastructure may affect productivity, but only by making one area more attractive to businesses than another area. He sees no strong evidence of a correlation between national productivity and public capital investment.

At a March hearing entitled Our Nation's Infrastructure Needs, the Committee heard testimony which included an analysis of four major studies. (America's Infrastructure - A Plan to Rebuild by Associated General Contractors of America, 1983; Hard Choices prepared for the Joint Economic Committee, 1984; Public Works Infrastructure: Policy Considerations for the 1980's, CBO, 1983; and Fragile Foundations by the National Council on Public Works Improvement, 1988.) All painted a grim picture of the condition of the Nation's infrastructure and its ability to meet the demands of future economic growth and development. Our infrastructure is not only deteriorating due to aging facilities, but underinvestment in new facilities is overburdening current demands. Statistics were provided citing problems with the Nation's highways, bridges, airports, mass transit and wastewater facilities, and included data on the needs within the individual States. Suggestions were made of efforts that should be undertaken, of ways to address levels of infrastructure service and performance, and of dollar goals for investment to meet the country's infrastructure needs.

HEARING AGENDA

The June 13, hearing will provide further insights into infrastructure issues, particularly about the productivity gains to be realized from investment in public works facilities and observations on what affect the condition of our infrastructure has upon American business's ability to compete internationally.

Marvin Runyon, Chairman of the Tennessee Valley Authority (TVA), is expected to discuss regional economic development and productivity improvement resulting from TVA's efforts and investments in public facilities such as roads, airport facilities, water and wastewater treatment and delivery systems, water transportation improvements. As former head of Nissan Motor Manufacturing Corp, U.S.A., Mr. Runyon has experience with global economies and can speak knowledgeably about the U. S. role in international markets.

Witnesses representing the U.S. Chamber of Commerce will be John Bush, Vice President for Governmental Affairs, U.S. Gypsum Co., which is a member of the Chamber, along with Chamber staffer, William D. Kelleher, Manager, Community Resources. Testimony will focus on transportation issues and the impact of problems such as traffic congestion on productivity and the cost of doing business. Mr. Bush will also be able to provide some commentary based on Gypsum's position as a Fortune 100 firm and as the

Nation's largest manufacturer of gypsum wall boards and other building materials requiring shipment to building sites and retail outlets. Mr. Kelleher, has been actively involved in the U. S. Chamber of Commerce effort this year to build awareness of infrastructure needs. He was quoted extensively in an article about infrastructure and competitiveness in the May 21, 1990 edition of Industry Week.

A panel of economists will address the themes of productivity, national growth and public infrastructure.

- David Lewis, Partner-in-Charge at James F. Hickling Management Consultants, Ltd., formerly with CBO, will be moderator and provide an overview of the importance of productivity growth as a key to long-term economic growth and growth in living standards; capital formation as a key to productivity growth; public and private capital matters in productivity growth; and importance of and approaches to public project appraisal.

- Dr. David Aschauer, senior economist with the Federal Reserve Bank of Chicago and senior associate with Apogee Research, will discuss the results of his studies showing the relationship between productivity growth and infrastructure investment and will elaborate on the role of private and public capital. He might also touch on his activity this month, in collaboration with Dr. Richard Mudge of Apogee Research, Inc., in presenting a paper prepared for The American Road and Transportation Builders Association entitled "Enhancing U.S. Competitiveness Through Highway Investment: A Strategy For Economic Growth". The report summarizes the results of economic simulations based on Dr. Aschauer's research to identify potential gains to the entire United States economy. For example, if federal highway spending is increased by $25 billion per year to meet highway capital needs identified by the U. S. Department of Transportation, it would lead to a $250 increase in productivity for each American worker within the first five years of the program's initiation, and a $3,200 increase in annual output per worker within 20 years of the program's onset--in 1990 dollars.

- Dr. Laurits Christensen, President of Christensen Associates in Madison, Wisconsin and formerly a professor at the University of Wisconsin, will speak about measuring the productivity implications of public investment decisions. Dr. Christensen has been involved in work which indicates that the way the merit of infrastructure investment is being judged fails to account for major productivity impacts. That leads to underinvestment and contributes to poor productivity growth.

The CHAIRMAN. Today, the Committee on Public Works and Transportation is meeting to continue its series of events on our Nation's infrastructure. As you will recall, in our first hearing, the committee focused on emerging infrastructure needs.

We learned that today our infrastructure is a system of peril, not pride. Sixty percent of our highways, and 41 percent of our bridges are in need of work. Traffic congestion has increased over 50 percent in the last 10 years.

In our Nation's largest urban areas, 2 billion hours of time are lost annually. If you are delayed 20 minutes each day in rush hour, by the end of your career, you will have wasted two working years.

By the year 2000, traffic delays caused by inadequate roads will cost us $50 billion in lost wages and wasted gasoline.

No new airport has been built in this country since 1974. Many of our urban water systems are over 100 years old, and lose as much water as they move. And countless jobs are being lost.

It is not one segment of our infrastructure or one area of our Nation that is affected. What we face is a national problem of alarming dimensions.

In our second event, an informal roundtable discussion, was a panel of distinguished economists, the committee focused on the impact of infrastructure on productivity, growth and competitiveness in the United States. We learned that economic research in recent years has tied the level of public spending on infrastructure—Federal, State and local—to the productivity growth rate in the private sector.

In the United States, productivity growth rate fell from 1.8 percent annually in the 1960s to 0.7 percent during the early 1980s. During the same period, the annual growth rate for investment in infrastructure fell from 4.5 percent to 0.8 percent.

Our productivity is growing much more slowly than in other developed countries, such as Japan, West Germany, Canada, France, Italy, and the United Kingdom. West Germany has an impressive growth rate of 2.9 percent and in Japan it is 3.1 percent. These countries also invest almost twice as much in their public works as does the United States. In fact, the United States now ranks 55th in the world in capital investment in infrastructure.

There is little doubt that infrastructure investments have historically made a vital contribution to our Nation's economic growth and well-being. Nevertheless, for over 20 years we have been shortchanging our public works. Total public spending on infrastructure dropped from 3.6 percent of Gross National Product in 1960 to 2.6 percent in 1985, and the relative share of public works spending at all levels of the government declined from nearly 20 percent of total expenditures in 1950 to less than 7 percent in 1984.

Today's hearing will provide further insight into the economic gains to be realized from investment in public works facilities and what effects the condition of our infrastructure has upon American businesses' ability to compete internationally.

We need answers to some fairly straightforward but significant questions. First, what impact does infrastructure have on our economic productivity? Second, does increased infrastructure spending automatically mean increased productivity? Are other nations doing things in the area of infrastructure that we aren't?

Is there a direct linkage between our ability to compete internationally and infrastructure investment? What factors or principle should be applied to national infrastructure legislation to help promote productivity, growth, and competitiveness in the United States?

Today, as we continue the debate, of how to deal with the present and future needs of our Nation's public works, we hope to get the answers to these and other questions.

And I believe Mr. Hammerschmidt has an opening statement.

Mr. HAMMERSCHMIDT. Yes, I do, Mr. Chairman, thank you.

Mr. Chairman, I commend you for scheduling this hearing on such a timely and important topic; namely, the impact of infrastructure upon our Nation's productivity and economic growth, and join you in welcoming the witnesses appearing before us today.

I would like to extend a special welcome to the Honorable Marvin Runyon, Chairman of the Tennessee Valley Authority. Chairman Runyon has extensive national and international business experience, having served as a Vice President with Ford Motor Corporation and President and CEO of Nissan Motor Manufacturing Corporation, U.S.A.

For the last several years, Chairman Runyon has applied his vast knowledge to improve operations and services at the TVA, which has long been involved with regional development and infrastructure facilities in the areas it serves.

The insight Chairman Runyon has gained over the years into the relationship of infrastructure to the economy as well as that of all of the witnesses appearing today should prove instructive to the committee as we strive to understand this important yet complicated link.

The decisions we make today about how to sustain and improve America's infrastructure not only affect us but our children and grandchildren. Prudence demands that before acting, we give long and careful consideration to all facets of the infrastructure issue. One very important face is how our country's economy impacts and is impacted by our infrastructure system.

In the committee's March hearing on infrastructure needs, we repeatedly heard about the importance of infrastructure to this country's economic well-being.

How closely is the level of investment in and condition of our infrastructure facilities tied to levels of productivity and growth? How can the economic benefits to be gained be better quantified and used to guide future infrastructure investment decisions? These are among the issues we will be discussing today.

Over the past couple of decades, the preeminence of the United States in the world economy has slipped as we have experienced increased competition from Japan and Western Europe.

These pressures will continue through the 1990s as the Japanese and other Pacific Rim economies continue to expand and trade barriers within Western Europe fall. Competition will also grow as England becomes linked by surface transportation to the rest of Europe, and Germany, with its vast economic resources, is reunified.

Additionally, the potential exists for increased competition from Eastern Europe. While Eastern European economies have long been hampered by both political restrictions and deficient infrastructure facilities, those economies are opening and beginning to make improvements and could well pose an additional challenge to the United States' share of the world market.

To meet all of the challenges it will face, the United States' economy must be healthy and functioning at an optimum level. Infrastructure investment is but one contributor to such a viable economy, but a very important one nonetheless.

I look forward today to hearing testimony that will help us improve our understanding of the contributions that infrastructure investment makes to the economy. Hopefully such understanding will lead to a better, higher quality infrastructure system in the future.

Mr. Chairman, I might say I note in the audience, and I notice on our witness list, a friend of mine, John Bush, Vice President of Government Affairs of the U.S. Gypsum Corporation. I am delighted that he is with us today, and look forward also to hearing from him.

Thank you.

The **Chairman**. Thank you.

I have an opening statement by Congressman Costello, and he would like to have it inserted in the record. Is there objection? If not, so ordered.

[The prepared statement of Mr. Costello follows:]

STATEMENT OF U.S. REPRESENTATIVE JERRY COSTELLO, ILLINOIS

Mr. Chairman, I am pleased to be here today to hear testimony on the relationship between the state of our nation's infrastructure and the productivity of our economy. This is the most recent in a series of hearings held by this Committee on this crucial subject, and I look forward to the further insights to be provided by our expert witnesses.

We have heard before of the strong link between competitiveness and infrastructure. It is a matter of common sense: traffic congestion reduces the amount of time American workers can spend in productive employment; businesses cannot grow without adequate facilities, etc. In light of this link, we should be especially concerned that the United States ranks 55th in the world in investment in infrastructure. Unfortunately, we are on a downward trend; public spending on infrastructure has dropped from 3.6% of our gross national product in 1960 to 2.6% of the GNP in 1985. The transportation policy recently proposed by the Bush Administration does not suggest a reversal of this trend.

A strong infrastructure is necessary for local growth. In my own Congressional District, which is located in Southwestern Illinois, it is my hope that the new MetroLink system will aid residents in getting to work in St. Louis without increasing traffic congestion. Similarly, I am hopeful that Scott Air Force Base can be expanded for civilian use to help reduce the burden on our nation's congested airways. We are fortunate to have received funds to repair the structurally deficient Clark Bridge, one of many throughout the country which are in a dangerous state of disrepair.

I hope that this hearing will increase awareness of the importance of rebuilding our roads, bridges, airways and water systems. I look forward to hearing from our witnesses, and I thank you, Mr. Chairman, for continuing to exercise leadership on this important issue.

The **Chairman**. Do any other members have opening statements they wish to make? Mr. Clement?

Mr. **Clement**. Thank you.

Mr. Chairman, I would like to commend you for calling this hearing to examine the economy effects of infrastructure investment.

In the recently released report, "Moving America", Secretary Samuel Skinner wrote:

> The efficiency and competitiveness of transportation providers are essential to economic growth and productivity and the ability of the United States to compete in the world market.

The condition of our infrastructure is clearly connected with our Nation's economic vitality. Since 1960, much of America's drop of productivity has occurred as investment in our infrastructure has fallen approximately 50 percent as a percentage of GNP.

Since 1970, Mr. Chairman, traffic has grown five times faster than highway capacity. And this will only grow worse. The old adage, "time is money", is a good example of what we are talking about here. A worker delayed just 10 minutes each way during 45 years of commuting wastes the equivalent of two working years. According to the U.S. Chamber of Commerce, traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost wages and wasted gas.

Our Nation faces a formidable challenge, Mr. Chairman. Unless we as a Nation commit ourselves to rehabilitating our infrastructure, an enormous portion of U.S. economic growth will be lost.

Today, our committee will have the distinct pleasure of hearing from the Chairman of the Tennessee Valley Authority, Mr. Marvin Runyon. Chairman Runyon was designated the ninth Chairman of the TVA Board of Directors by President Reagan and took the oath of office on January 25, 1988.

Prior to becoming TVA Chairman, Mr. Runyon served as President and Chief Executive Officer of Nissan Motor Manufacturing Corporation. Under his leadership, Nissan's Smyrna, Tennessee operation was called by Fortune Magazine the 10 best-managed manufacturing plants in the United States.

Mr. Runyon is uniquely qualified to discuss the impact of infrastructure on our Nation's economic productivity, growth and competitiveness. I might also say that I served on the TVA Board of Directors for two and a half years, and it was a great experience for me to have the opportunity to serve on the TVA Board. We served seven States. It is the largest electric utility in the Nation.

Thank you.

The CHAIRMAN. Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman. I certainly appreciate your leadership and that of the ranking minority leader, or the ranking Republican on the committee, for their leadership in calling for this hearing.

I have been very concerned and interested in the infrastructure for as long as I have served on this committee, which is eight years now, and we have not made a great deal more progress now after eight years, and that is concerning to me.

Certainly, I want to welcome Mr. Runyon and the other witnesses that will testify for us today. I think it is obvious that America's infrastructure is crumbling, and if we don't do something, the problems are going to become almost insurmountable in terms of funding, and therein I think lies the fundamental question, how are we going to fund the rebuilding of America's crumbling infrastructure?

I think we really have but two options. One, of course, is to use the existing funds that are available, that being the trust funds. And those certainly should be used to build, rebuild those portions of the infrastructure for which those trust funds have been collected.

And secondly, of course, I think we need a greater commitment from this committee and a greater commitment from the Congress to fund America's infrastructure.

I served on the Economic Development Committee, and I don't believe there is going to be economic development if we don't find a way to build the structures that support and sustain economic prosperity.

Therein, I think, is the value of this hearing, and I appreciate very much your calling it. Thank you, Mr. Chairman.

[The statement of Mr. Packard follows:]

STATEMENT OF HON. RONALD C. PACKARD REPRESENTING THE 43D DISTRICT OF CALIFORNIA

Mr. Chairman, I would like to welcome Marvin Runyon, formerly of Nissan and currently head of the Tennessee Valley Authority [TVA] and each of the other witnesses scheduled to appear before the committee today.

The testimony of today's witnesses, I am certain, will show among other things, No. 1, the great and pervasive need for an increase of funding for our Nation's infrastructure and No. 2, the strong relationship between the infrastructure and economic productivity.

This committee has had hearing after hearing, witness after witness, on the topic of infrastructure. One common view is forwarded, our Nation's foundation, its national public works infrastructure is crumbling. Everyone also agrees that more funding, more money is needed to be spent on our infrastructure.

Members of this committee have been aware for some time that we as a nation have underinvested in infrastructure. We have talked to our colleagues in the House especially our friends on the budget and appropriations committee. We have tried to impress the great need on the current and previous administrations. Our pleas, however, have fallen on deaf ears.

But, infrastructure is important, and this particular hearing is important for we hope to make people aware of the direct relationship between infrastructure and economic productivity and of the relationship between infrastructure and our international competitiveness. International competitiveness is a topic of concern of all Americans. The American public is worried about the United States losing its competitiveness edge in the world economy. The extraordinary expansion of the Japanese economic strength, the success of the Pacific rim, recent changes in Eastern Europe, the distinct possibility of a new huge economic power with the reunification Germany, not to mention the formation of the European Community in 1992, have many of us concerned about the shrinking role of the United States in the global marketplace.

What I hope this hearing will do is to raise the level of awareness of our colleagues and the American public that increases in funding for our infrastructure are necessary for economic productivity and international competitiveness. We must make this point clear to the American people. We must show this direct relationship between funding of infrastructure and ultimately the quality of life of our citizens. Money spent on infrastructure is an investment, a good investment in our future.

There can be and should be considerable debate on where increased funding for infrastructure will come from. First, we must commit and obligate and spend available monies in the infrastructure trust funds on infrastructure. No more budget games. Beyond that, we should examine the role that private enterprise and private sector money can play in rebuilding our infrastructure. We should also look at the appropriate role that the various levels of government should play. What degree of responsibility should be accorded to each Federal, State and local level of Government to ensure that the investments in infrastructure are wisely made. I would be very interested in the panelists opinions on this subject. While there may be debate on how best to invest in our infrastructure, there should be no debate that investment is desperately needed.

I commend the chairman and ranking member for calling this hearing and for their continued leadership in fighting for our Nation's foundations.

The CHAIRMAN. Are there other opening statements? If not, we will proceed with the witnesses.

Our first witness today, and one who I believe is uniquely qualified to lead off the hearing, is the Honorable Marvin Runyon, Chairman of the Tennessee Valley Authority Board of Directors. For the past three years, Mr. Runyon has sought to improve TVA's productivity and efficiency in meeting its overall infrastructure goals.

Prior to joining TVA, he served as President and Chief Executive Officer of the Nissan Motor Manufacturing Corporation, USA and before that, he was with the Ford Motor Company for 37 years. Both experiences, I believe, provided him with the unique perspective to address the subject of today's hearing.

Chairman Runyon, I welcome you to the committee and look forward to your presentation.

TESTIMONY OF HON. MARVIN RUNYON, CHAIRMAN, TENNESSEE VALLEY AUTHORITY BOARD OF DIRECTORS

Mr. RUNYON. Thank you, Mr. Chairman. On behalf of our Board and the employees of the Tennessee Valley Authority, I am honored to appear before you today. I believe that the members of this committee have shown great foresight in focusing this hearing on a subject that is so essential yet so often taken for granted.

"Infrastructure" doesn't have the glamor associated with high tech, and it doesn't have the luxury of a high profile, but it is highly important to this Nation's future. That is because we are really talking about investments in the basic facilities and services needed to keep this country going; investments in America's foundation for competitiveness in a changing world.

We appreciate this opportunity to tell the members of this committee what we are doing to contribute to this framework for the future as we make TVA an even more productive asset for the Tennessee Valley region and our Nation.

I know that some members of this committee are already very familiar with TVA, especially Congressman Clement, Congressman Duncan, and Congressman Ballenger. Their Districts are a part of TVA's 80,000-square-mile service area, and we are grateful for their counsel as members of the Valley Delegation, as well as their contributions as members of this distinguished committee.

We also appreciate the encouragement that members of the committee have shown for TVA's new way of doing business and the results we are achieving. Through a combination of teamwork, increased communication, and participation by all our employees, we have become a more business-like organization. And we are accomplishing goals, such as our three-year freeze on electric rates that just a couple of years ago many people thought were impossible.

Today, we are here to focus on TVA's role in strengthening our national framework for delivering essential services.

As I mentioned, every reference that we make to infrastructure is really a reference to investments in the common good. We are talking about investments that enable economic growth to take place and stimulate other improvements in the quality of life.

When TVA was established by an Act of Congress in 1933, this unique public corporation was given the charge to work with the people of the region to bring about a wide range of improvements in the quality of life in the Tennessee Valley.

To accomplish this mission, TVA built a foundation for regional development. That framework included multi-purpose dams that controlled flood and improved navigation along the Tennessee River and its tributaries. Those dams also brought electric power to the entire region, including vast rural areas in which only three farms in 100 had electricity. TVA demonstrated that selling power in new markets could actually lower the unit costs of electricity to consumers.

To meet the region's growing power demands, TVA was one of the first electric power suppliers to experiment with large turbine generators in steam plants. Our high-voltage transmission system was another "first" in the industry. These and other advanced engineering technologies pioneered by TVA now benefit every power consumer in the United States.

TVA became a national laboratory for developing new ideas and new ways to improve the quality of life through partnerships with State and local governments, the private sector, and educational institutions across the region. TVA's power system today serves more than 7 million homes, businesses, and industries in parts of seven States; and that system is connected by a 17,000-mile network of transmission lines.

The original investment in TVA's power system came from Congressional appropriations. But since 1959, on the recommendation of this committee, our power system has been self-financing. And in our annual payments to the Treasury, TVA is paying back, with interest, the original public investment in our power system.

Today, TVA operates 39 dams on the Tennessee River and its tributaries, the Nation's fifth largest river system. This series of dams and locks makes commercial navigation possible for the 650-mile length of the river from Knoxville, Tennessee to Paducah, Kentucky. It is a vital link in the inland waterway system that provides access to ports in 21 States from the Great Lakes to the Gulf of Mexico.

In addition to being the most energy-efficient form of moving goods, waterway transportation also helps hold down maintenance costs for other parts of the Nation's infrastructure. After all, a single barge has a carrying capacity that is equal to 15 railroad cars or more than 60 tractor-trailer trucks.

Since TVA first provided a commercially usable channel for river traffic, transportation savings to shippers are estimated to have totaled more than $2.5 billion. And private investment in waterfront plants, terminals, and distribution facilities has added up to more than $5.8 billion.

For our river system to continue to contribute to economic development, locks at the dams must be able to handle greater demands. However, river traffic is being hampered by small locks on three upstream dams. Those locks were built in the 1930s and 1940s, when towing equipment and loads were much smaller.

We realize the need to make our river system more competitive by modernizing and tapping the full potential of this important resource. Overall, the framework that TVA built for electric power, navigation, and agricultural productivity has helped our region and the Nation grow and prosper.

The Tennessee Valley also is now one of our Nation's major manufacturing areas. More than 30 percent of the region's gross product comes from manufacturing, compared to 22 percent nationwide. Competitively-priced TVA power is just as essential to those industries as the jobs that they provide are crucial to the communities of our region.

And we know that many manufacturers and farmers depend on our river system to ship their products at a competitive cost. That is why we are making sure that these investments continue to generate benefits for the Valley region and the Nation.

And as I have mentioned, the returns aren't limited to those from bricks-and-mortar projects. About 75 percent of the modern products and processes used to increase soil fertility are based on technology developed by TVA researchers. And today, TVA's National Fertilizer and Environmental Research Center is meeting an even wider range of responsibilities.

I mention these contributions, Mr. Chairman, because they are directly attributable to the wise investment of federal dollars to build a framework for economic development.

In determining how we can continue to maximize the return on this investment, we don't have to look beyond the horizon. The challenges presented by an increasingly competitive global economy are in full view. Our course is clear. We have to make and keep TVA competitive as a utility and as a government agency.

We must make sure that our self-financing power system supplies electricity at the most competitive rates possible. And we must manage our resource development programs effectively so that they continue to merit the support of this committee and your Congressional colleagues. Maximizing the return on these investments is essential, so our region and this Nation can stay competitive.

With the support of Congress and our customers, we have held TVA's power rates stable for the past two years. We fully expect to keep rates steady for 1991, and we are optimistic about extending rate stability beyond our original three-year goal.

To make TVA's rate stability possible, we have achieved cumulative savings of more than $900 million. We have reduced staffing by 11,000 employees, about a third of TVA's work force, with no adverse impact on service to our customers. We have also reduced overhead costs by about 30 percent in our resource development programs, making more funds available to improve services to the people of our region.

These cost savings and productivity improvements have reduced TVA's operating expenses to the lowest level since 1986. And while we reduced operating costs, we increased power sales last year by 2 percent. That may not sound like a lot, but in the context of a power system the size of TVA's, it amounts to almost 2 billion kilowatt-hours. That is enough power to serve 135,000 homes.

By holding down the cost of power and making our services more effective, TVA is helping to make the region we serve and our Nation more competitive.

TVA's central challenge for the 1990s and beyond is to be the most competitive electric utility in North America in terms of cost, quality and delivery, and to be the most efficient and productive agency in Federal service.

We realize that we have much more to do to keep TVA competitive. But we also hope that the lessons we have learned about increasing productivity will prove useful to others in the public and private sectors.

In our push for more efficiency and productivity, no savings have been dismissed as too small, even in the context of a $5 billion budget. Senator Everett Dirksen once said in reference to the Federal budget that "a million here and a million there, and pretty soon, you are talking about real money."

You could say that we applied Senator Dirksen's approach in a new context: Save a million here and a million there, and pretty soon, you are achieving some real savings. In many cases, it wasn't a million or even close to that amount. For instance, our resource development group identified a savings of $6,000 by reducing computer time and other costs associated with producing their monthly ledger sheets.

On the other end of the spectrum, we renegotiated our coal contracts to take advantage of market conditions and saved nearly $30 million in annual fuel costs. And our initiatives to refinance TVA's high-interest debt are saving TVA power customers nearly $150 million a year.

We also took action to realize the savings that come from good management. We have recruited a number of top-level managers from the private sector and gained an infusion of new ideas to help renew TVA's spirit of innovation.

In TVA's Nuclear Power Program, for example, we have reduced contract manager costs from more than $17 million in 1986 to zero this year. In other words, we have no contractors serving as line managers at TVA today. We have replaced them with a strong management team of TVA personnel.

Our power customers have enjoyed the benefits of this new era of professionalism through record-setting performance. Last year, both units of our Sequoyah nuclear plant near Chattanooga set continuous run records. And Unit 1 at Sequoyah ranked second in the United States and eighth in the world in terms of generation.

As an organization, TVA is stronger and strategically better prepared to become a more competitive asset for the Valley and our Nation. We have set an agenda for the 1990s, concentrating on five strategic areas. We are focusing on providing environmental leadership, stimulating economy growth, serving our customers through a customer-first philosophy, maintaining a quality work force and workplace, and achieving excellence in nuclear power operations.

With your permission, Mr. Chairman, I will submit for the record a copy of more detailed information that I provided to all TVA employees and retirees about each of these strategic areas.

The CHAIRMAN. Without objection, so ordered.

[The information follows:]

Topside

Mapping out TVA's agenda for the 1990s . . .

By MARVIN RUNYON, Chairman, TVA Board of Directors

My Board colleagues and I recently had a good discussion with more than 200 of TVA's key managers about five strategic areas that will shape TVA's future in the 1990s.

Those five areas are (1) environmental leadership, (2) economic growth, (3) excellence in customer service, (4) a quality workforce and workplace, and (5) excellence in nuclear power operations.

Many TVA projects support these strategic areas. Building on these initiatives will enable us to make TVA even more effective in serving the citizens of the Tennessee Valley and the nation.

Let me give you an overview of what we expect to achieve.

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First, providing environmental leadership means going beyond basic compliance with laws and regulations. Leadership means solving problems in innovative ways and demonstrating to others how environmental challenges can be met.

TVA has always been a national laboratory for addressing a wide range of environmental concerns. That's evident today in our employees' contributions to solving a variety of air, water, land, and waste-management problems.

For instance, the progress of the Atmospheric Fluidized Bed Combustion project at Shawnee Fossil Plant is a major step toward cleaner air for our nation. As one of America's largest consumers of coal, we must continue developing and testing new pollution-control and clean-coal technologies.

TVA has cut its emissions of sulfur dioxide in half and reduced particulate emissions by 93 percent. We're not only committed to having our plants comply with clean-air laws, we want them to continue to average well below the emission levels allowed. Our challenge is to demonstrate how to meet more stringent standards in the future, while keeping our rates competitive. Once again, we have an opportunity to become the yardstick for the utility industry.

We'll also be evaluating the use of refuse-derived fuel to help solve the growing dilemma of solid-waste disposal, and we've begun initiatives for internal waste-reduction and recycling programs to demonstrate the benefits for large businesses. In addition, our use of constructed wetlands for waste-water treatment has gained national attention.

We have even more opportunities to demonstrate environmental leadership at the National Fertilizer & Environmental Research Center.

The new name of this important facility reflects its emphasis on solving a wide range of environmental concerns, in addition to continuing to help improve soil fertility and food production. The change also underscores a broader concern for environmental matters in every area of TVA's responsibility.

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Stimulating economic growth is our second area of special emphasis in the 1990s. We're gearing our business operations and planning to encourage quality economic growth and create jobs. Maintaining attractive power rates is the best incentive we can provide for new growth.

Since we announced our rate-stability goal in 1988, more than 900 firms have made plans to locate or expand in the Tennessee Valley. That adds up to more than $7.5 billion in new investments and more than 55,000 new jobs.

We've also introduced rate incentives that are tied to creating new jobs. Currently 128 of our 160 distributors are participating in our Growth Credit program that helps stabilize rates for all our customers.

It appears that we will meet the third year of our rate-freeze goal this October. Our key managers have challenged themselves to extend the freeze to a fourth year, and that would be a tremendous benefit for the Valley economy.

While many variables can impact rates, we should never regard rate increases as inevitable. We owe it to our customers to look constantly for new ways to keep rates stable.

We're close to the right size for efficient operations, so the rate-stability challenge has to be met through innovative solutions that maintain safety in the workplace and reliability in our power system.

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Serving our customers through a consumer-first philosophy is the third area we're stressing for the 1990s. That means we don't take our customers, communities, or other constituencies for granted.

The success of this philosoph depends on every employee. For example, last year we improved our reliability rate on transmission service to 99.99 percent, and the average service outage lasted only about 13 minutes. These rates were achieved despite tornadoes in Alabama last November that inflicted the second-greatest amount of damage ever on our transmission system. Many disaster-recovery crews worked 36-hour shifts in snow and freezing rain. While restoring power to our customers, they also provided a working definition of customer service for all of us.

Areas of focus for the '90s—

- *Environmental leadership*
- *Economic growth.*
- *Excellence in customer service.*
- *A quality workforce and workplace.*
- *Excellence in nuclear power operations.*

We're taking action every day to strengthen our partnerships with our local power distributors and our direct-served industrial customers.

We were very pleased to learn this month that Larry Papasan, President of Memphis Light, Gas & Water, has recommended that our largest local power distributor extend its contract with TVA.

After conducting an extensive study of power supply options, the staff concluded that continuing MLGW's relationship with TVA would be in the best interest of the citizens of Memphis.

If the MLGW Board and the City agree with the recommendation, it will be good news for Memphis —which currently accounts for about 10 percent of our total power load—and for all TVA customers.

We look forward to Memphis remaining a valued TVA customer, just as we look forward to continuing to work with power distributors and communities across the Tennessee Valley.

We're also building stronger ties with leading industries that buy power directly from TVA. This spring, the Board and some of TVA's top managers had a productive meeting with executives of about 50 of these large employers.

We're working to meet their special needs for high-quality power, as well as to provide the flexibility, reliability, and value essential for them to remain competitive and help keep this region competitive.

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Maintaining a quality workforce and workplace at TVA is the fourth area we're emphasizing for the 1990s. That means stabilizing our workforce, expanding employee involvement, and continuing to improve productivity.

TVA should be recognized as an excellent place to work, where employees are committed to their jobs, their work is challenging, and the work environment is inviting.

TVA Chairman Marvin Runyon

We've established new compensation policies to help us attract and retain highly qualified staff, and we're developing long-range strategies to meet the full development potential of a diverse workforce and keep competitive as the labor force changes.

We're also considering a flexible-benefits package, dependent-care programs, and fitness centers. These aren't frills—they're necessities to create a quality and productive work environment.

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Excellence in nuclear power operations is our fifth area of focus in the '90s. That means operating TVA's plants in a safe, efficient, and quality manner.

Earning the public's confidence in our nuclear program is essential to our overall success.

Our hydro and fossil plants continue to be among the top power plants in the nation. Our goal is for TVA's nuclear plants to be among the top performers in the industry. Both reactors at our Sequoyah Nuclear Plant set performance records last year, ranking among the top 25 units in the nation and the world. We expect all TVA's nuclear units to be as efficient and reliable as the best in the industry and, above all, we expect them to be safe.

The Nuclear Regulatory Commission affirmed the comprehensive level of improvement in our nuclear program earlier this month, when it announced TVA no longer required the extra oversight of the NRC's Office of Special Projects. Our program is once again under the routine regulation of the NRC's regional office in Atlanta.

Achieving excellence in nuclear operations will position TVA in the forefront for considering the next generation of nuclear reactors as an option for expanding capacity when the time comes. That decision could be facing us before the middle of the decade.

Just as TVA has led the way in clean-coal technology, we should be prepared to take a leading role in new nuclear technology.

Safe and reliable production of nuclear power also helps us meet our environmental goals. If TVA had built coal-fired plants instead of nuclear plants for additional capacity, our emissions of sulfur dioxide would be about one million tons higher each year—or almost double the current amount.

Nuclear power's environmental benefits provide one illustration of the many relationships among our five priorities for the 1990s.

Focusing on these interrelated areas can help TVA meet our goal of becoming the most competitive electric utility in North America and the most efficient and productive agency in federal service. ▲

Mr. RUNYON. These initiatives are in keeping with the intention of TVA's founders to combine the authority of the Federal Government and the flexibility and initiative of a private enterprise.

I believe that the same kind of disciplined and business-like approach can be applied across the spectrum to strengthen America's foundation for competitiveness. Whether we are talking about operating airports or building and maintaining bridges, highways or waterways, taking a competitive and business-like approach can make these public investments more valuable assets.

Before I close, Mr. Chairman, I want to urge the consideration of two additional elements as part of the infrastructure for America's future. They may not be familiar in that context, but they also require substantial public commitments, and they also will serve as building blocks for a better future. These additions to America's infrastructure of the future represent investments in improving the quality of education and the environment.

Our education system must do a better job of teaching the basics of reading and writing and mathematics. But our young people need more than just the basics. Education must be a competitive advantage for them and for this country in the years ahead. TVA is working with the region's colleges and schools to establish a number of skills training programs.

And we are exploring ways that new technology, such as the fiber optic network we are installing for our power system, could have additional applications in support of education.

The need for a quality environment is receiving increasing attention today, and it also will require major investments.

TVA's commitment to environmental leadership already is paying dividends for the region and the Nation. We have demonstration projects under way to help solve a wide range of air, water, land and waste management problems. All of our Nation's resources must be managed wisely if we are to sustain growth and attain the quality of life that we all want to enjoy. So, both quality education and a quality environment have to be considered as essential parts of America's foundation for competitiveness.

In closing, Mr. Chairman, I hope that it is evident from the changes we are making that we want to make sure TVA remains a good investment for the American people. We appreciate your continuing support as we take TVA into a new era of quality and productivity.

The CHAIRMAN. Mr. Runyon, if I could ask you to think back to your days at Nissan and Ford Motor, how important was infrastructure to your ability to produce and to compete effectively?

Mr. RUNYON. Well, infrastructure was very important, Mr. Chairman, in siting locations, for example. It is very necessary that in the construction of automobiles, that you have to have a good infrastructure to get parts there.

So, therefore, when you go to look for a place to put a facility to build new cars, you have to have highways, rivers, air traffic, whatever is necessary to get there.

I can remember when we were siting the Nissan plant in Smyrna, Tennessee, we had thought, the Japanese had thought the best way to get there was to come by water around to the East

Coast, and so therefore, a site in Atlanta seemed like a very good site.

I had some of our experts in this country check it out. They found the best way to do that was to locate the plant closer to the West Coast, because it was cheaper to dock the parts on the West Coast and come by rail. Now, the Japanese don't use rail, so they are not familiar with that situation. That saved us approximately $20 million a year in operating costs.

But one thing we did find out, though, is we really need to work on our infrastructure a lot, because those trains coming across there, you really have to make sure your parts are packaged awfully well to take care of going over those roads. Those roads need to be improved.

So, those are the kinds of things you find out—that you have to have an infrastructure for. You have to be able to get people to work. They have got to get there.

I have heard some comments about how long it takes to get from one place to another. I learned that last night, when I got here about 10:00 and tried to get to the Hyatt Hotel, which was across the street from where we were having a birthday party. I had to carry my bags four blocks. Even getting out of the airport at Dulles was a difficult job for me.

So, all of those things are very important when you are trying to operate a business. Then, to get the product shipped out to the location it has to go to.

The CHAIRMAN. Well, again, drawing upon your experiences, what factors do you suggest that we consider in crafting a national infrastructure program that would aid in promoting economic growth, productivity and competitiveness in the United States?

Mr. RUNYON. Mr. Chairman, I think that one of the most important things that we can improve is transportation. I continue to see cities that have highways into them that are being reworked, that are corroded. It is my personal opinion that rail transportation should be upgraded so that we can move more people in that fashion, as opposed to on the highways, which do cause problems for the air pollution and create other problems for us that we need to work on.

So I think those areas really need to have some improvement. I mentioned introducing education as part of infrastructure, and we really do have to improve the education process if we are going to be competitive worldwide in economy.

The CHAIRMAN. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Runyon, for your fine testimony.

Let me follow up a little bit, if I can, on some of the ideas you set forth that the chairman was discussing. You know a great deal will be said later in the day about the return on capital that accrues from private and public infrastructure investment.

And traditionally, I think, in this country, we have considered certain types of investment to be just public works, they have been done by the Federal Government, and they have played a lead role in their development through the years. And then we have considered others to be the responsibility of the private sector.

But given the productivity gains that are predicted to be gained by greater infrastructure investment, are we reaching the point where the lines separating government from private, or should be less distinct, or should be better integrated? And I think your experience of locating that Smyrna plant—would you comment a little bit further along that line?

Mr. **Runyon.** I think regardless of how integrated they become, I think we have to analyze the money that we spend to make sure we are spending the money in a wise fashion, in a business-like fashion, not just spending money because it is a good thing to do, but spending money that is going to get a return. That is going to make us more competitive.

I think we have to look at the alternatives to determine which is the best way to spend money to make us more competitive. There has to be a return. If there is no return coming, we are not going to solve our problem of being competitive in a worldwide economy.

Anyone that thinks we are not in a worldwide economy right now is wrong. We have to compete worldwide. We have to compete, for example, on the cost of power worldwide. People say, well, that is crazy, you can't ship power in a boat.

Well, you can ship power into a boat. First you build it into a car. You make an ingot of aluminum with power, and then you ship it. Those things are getting to the point, unless we are competitive in all the areas of our infrastructure, we are not going to make it.

I would say whether private or public does it, both have to make the same considerations of whether it is going to help us be more competitive in the world economy.

Mr. **Hammerschmidt.** Well, it is going to be interesting. I know some things private capital—the marketplace just really won't support long range, but yet in the long haul, you get good productivity, you get a good return on the investment.

I think what I hear you saying, let business judgment and return on investment and the marketplace dictate things, even though the government is involved, the lead people making those decisions probably ought to be the business people.

Mr. **Runyon.** Example of government versus private, it is very difficult to assign private capital to improving a lock on the Tennessee River. There is no company going to go out and build a new lock on the Tennessee River, because they do not use it that much. That clearly, I think, has to be government to take care of something like that.

In an area of railroads, though, you would think that private capital could figure out how to do that and make it economical. They may need some help in research, and I think government plays a strong role in research.

For example, at TVA, we play a strong role in research in fertilizer development, and we have for this country and the world. TVA has developed 75 percent of the fertilizers that are used in this world today, and that wouldn't have been done had government not done that.

So, I think there is a place for government to do certain of these things, and a place where private industry probably should step in and do more.

Mr. **Hammerschmidt**. Speaking of locks, you recall a major lock, up by St. Louis, which passes a great deal of the grain we send all over the world. We approached that by saying, if you will put a user tax on barges, you can build Lock and Dam 26. It is sort of trade-off in that area, and I suppose that works to the public interest and benefit.

Mr. **Runyon**. We do that also with highways in some locations. There are user taxes on highways that you drop a quarter in now and then, or you can't go any further.

Mr. **Hammerschmidt**. One more comment before I yield to my colleagues. We certainly are in a global market in everything we do now, and your testimony cites quality of environment as a key part of this infrastructure for America's future.

How can we reconcile the view this Nation's attention to environmental quality may vary, over the years, worked to the competitive disadvantage of American business, compared to foreign manufacturers whose governments have no corresponding commitment to the environment? That may not be a good premise, but is it at the moment?

Mr. **Runyon**. I remember many years ago going into Germany. I visited 12 automobile plants over there in a couple of weeks, and when I went back into the rural area, smokestacks were just polluting something badly. I understand that has been cleaned up some.

I don't know what other governments are doing. I think we should strive in some fashion to get everyone to come to the same standards. An example is the nuclear industry.

You know, back 15 years ago, I guess now, the nuclear industry in the United States organized what is called the Institute of Nuclear Power Operations, INPO, and they control the way training is done for U.S. nuclear plants. They pass certification on training programs set up by utilities, and just recently, the nuclear operators formed the world organizations WANO, which is World Association of Nuclear Operations.

We met in Moscow, as a matter of fact, and all signed an agreement that we would share all experiences we had and knowledge we had about nuclear power. Now, nuclear operators did that even though some of the countries from which those nuclear operators came from don't have diplomatic relations, but still, they have a very common reason for wanting to get together and share information and come to a common knowledge of what is there and what needs to be done.

And I think we need to do that on an environmental basis, also.

Mr. **Hammerschmidt**. I would suppose over time, because investments are now global and markets are global, that that will lead you to common environmental concerns worldwide, that eventually you might have protocol as to where you are all operating under similar restrictions.

Mr. **Runyon**. I would sure hope that would lead to that. And if there was some way we could direct it that way, I would sure hope we would try to do that.

Mr. **Hammerschmidt**. Thank you very much.

The CHAIRMAN. We have some other questions to ask of you, but we also have to go vote, and so, we are going to stand in recess now until, let's say, 10 after and we will finish our questions then.

We will stand in recess.

[Recess.]

The CHAIRMAN. The meeting will come to order.

Mr. Mineta, do you have any questions?

Mr. MINETA. Thank you very much, Mr. Chairman. I want to thank you very much for your leadership in holding these hearings.

I want to commend Mr. Runyon for a very, very fine statement this morning before the subcommittee, and commend Mr. Runyon—not only for his enlightened leadership in terms of the business community, but now in his new role as—or not new role—but his role as Chair of the TVA.

Our colleague, Congressman Clement, of course, Mr. Duncan and others, Mr. Ballenger, have been great supporters of TVA.

I was interested in your statement about the locks at the dams might be able to handle greater demand. Is the work on locks, does that come from monies generated from your own revenue or do they come from appropriated revenues from the Congress to that TVA for the improvement of those locks and dams?

Mr. RUNYON. They come from appropriated funds specifically for that purpose. They are designated for that purpose.

Mr. MINETA. Is there any work that is being done in terms of some of these things that you point out as to—on the locks, in order to improve the efficiency of those?

Mr. RUNYON. Yes, sir. What is happening now is that we are—we started a study through a Congressional request last year, through this year's budget. In next year's budget, additional monies are being requested to continue that study, to finish it together with the Corps of Engineers.

We work very closely with the Corps of Engineers on locks.

Mr. MINETA. Now, the fact that because of what you do, obviously this is stirring and spurring a lot of economic development. You say that your gross product in the region, 30 percent of your gross product comes from manufacturing compared to 22 percent nationwide.

Obviously a lot of industry is going there because of the electrical rate power. The thing—I would like to commend, and I think this is really leadership on your part to be able to say you think there are two other essential elements of infrastructure that have to be considered in that.

That is, education and the environment. I really want to commend you on that. I suppose as you are bringing the industry in, you have to make sure you have an educated work force to deal with the companies that are coming in for, because of this manufacturing.

Mr. RUNYON. We are finding that is very important. In the past two years, since we have announced we were not going to raise our rates for three years, and now it looks like we may go four or more, we have had over 700 companies that have either moved into the Valley or expanded their operation, invested over $7 billion of new capital and have added over 55,000 jobs.

Now, as that goes on, it becomes very obvious that the technical training that we have needs to be improved. We at TVA are working very closely with our technical schools, you know, the second level of schools after high schools, and the technical schools, to improve the education and knowledge of our people to work with the kind of high-tech industries coming in.

When I say the kind of high-tech industries, most industry is high-tech these days. It is high-tech to run a home these days, as a matter of fact, because of the kind of things we are bringing into homes. We need to improve that educational process.

We are working with our junior colleges in the TVA area to help them in their curriculum and training techniques.

Mr. **Mineta**. Would the TVA consider the construction of—in terms of infrastructure, is the public sector responding quickly enough in terms of your roads portion of the infrastructure, roads and highways?

Mr. **Runyon**. As you go around the Valley, you see new roads and highways being built. I think we need to move faster. I think we need to get ahead of the game. We need to project further forward.

What I am seeing happen is that as the need is there, we start the roads. When I say need, I mean the car is there waiting to go down the road. We need to start sooner. We need to get the project going so that by the time the car gets there, the road is there. We are not at this point in the country.

Mr. **Mineta**. If push came to shove, do you think TVA would be in the position of considering private toll roads?

Mr. **Runyon**. Well, I don't know that TVA has a real part to play in——

Mr. **Mineta**. Congressman Clement, quit kicking me.

Mr. **Runyon**. Those toll roads, usually individual States, I think, are the ones that decide whether there are going to be toll roads or not. The fact is, that is a way that some people have done things.

Mr. **Mineta**. I just want to thank you again, Mr. Runyon, very, very much for your enlightened leadership, not only in your past, in your business experience, profession, but now as Chair of TVA. I want to thank you very much.

The **Chairman**. Mr. Hancock?

Mr. **Hancock**. Thank you, Mr. Chairman.

I am curious about the effect of the clear air bill, the acid rain bill, on the production of electricity and energy at TVA. You indicated that you have basically said that you are not going to raise rates. I am confident that every private energy producer would like to be able to say the same thing.

I don't think they are willing to say that. Are you going to have a problem with the clean air bill, the fact that they are cutting out the use of coal? You use a lot of coal in your production. What is the effect going to be?

Mr. **Runyon**. We said that we wouldn't raise the rates for three years. We have held to that for two years now. In October, we will hold to that for the third year. We think that we can probably go the fourth year and maybe even a fifth year of not raising rates.

However, the clean air bill will definitely be added cost to TVA in the production of electricity. Depending on final outcomes of all of these things that we are studying now, it could be from one and a half to $2.1 billion added capital expense. It could be $800 million operating expense. I am talking about at the end of 10 years. Those costs could be there.

Depending on toxics, it could be, you know, actions that might be taken on toxics, it could be another $1 billion in investment. Those are all costs that will have to be borne somewhere along the line as we get to that point.

What are we trying to do to offset those costs? We are trying to reduce our costs by 5 percent every year. Because, if we are going to be competitive, you don't just keep your costs and keep going up every time there is an economic increase. You can't do that and pass it on and stay in business.

We are trying to be competitive. We are trying to cut our operating costs every year. It is difficult to offset $2 billion in capital investment and $800 million in operating costs that we are going to be suffering five to 10 years down the road.

Mr. HAMMERSCHMIDT. Will the gentleman yield?

Along your line of questioning, I wanted to ask Mr. Runyon, to what degree do you get relief from having nuclear plants? That relieves you of the environmental problem of the Clean Air Act, does it not? What percentage of your electricity is generated by nuclear?

Mr. RUNYON. Right now, our percent of nuclear is 11 percent. Hydro is about 17 percent, and the remainder is coal. In the United States, the numbers are: Nuclear is 19 percent; hydro is 10 percent; and coal is 56 percent, and there is gas and oil that is some smaller percentages.

But nuclear does not have the problem with clear air, as you well know. It is clean and it is safe power. A lot of people are concerned about nuclear power. They say it is unsafe, and how about Three Mile Island and all those kinds of things?

Well, Three Mile Island didn't hurt anybody except to the tune of $1 billion in decommissioning costs. Those kinds of things, you know, cost money. But nuclear is very safe power, and it is very clean. You have no clean air problems with nuclear power. That is why we are proceeding on to complete our nuclear plants.

We have, as we said before, five that are licensed, two that are operating. We are going to bring the other three licensed units into operation, and we are going to bring in four more units that have not been licensed.

We are going to complete those and have them all on stream by the year 2000. It will be nine nuclear units. At that time, we will be one-third nuclear.

Mr. HAMMERSCHMIDT. I want to get your very professional and your good judgment into the record. I appreciate it.

I thank the gentleman for yielding.

Mr. HANCOCK. Another question I had, you indicate that you are paying the Treasury—that you are paying back with interest the Treasury. TVA was established, I think, 57 years ago; is that correct?

Mr. RUNYON. 1933.

Mr. HANCOCK. I am just kind of curious on the interest rate. Do you receive the same interest rate factors that the REAs—like 2 and 3 percent, when the government is paying 9 percent for it?

Mr. RUNYON. I am not aware of any 2 or 3 percent interest rates that we have. As a matter of fact, we recently refinanced $8 billion of our debt that we had with the Federal Financing Bank. The reason we refinanced it is that the interest rate that the TVA was paying on their $19 billion that we have outstanding in debt was 10.25 percent. We had notes in there as high as 14.5 percent.

I think there were some at 14.9 percent with the Federal Government through the FFB. By financing on the private market, we were able to reduce our total interest debt from 10.25 percent to 8.5 percent. We have been able to reduce it by doing that. We just did that last year.

Mr. HANCOCK. I don't have any other questions, Mr. Chairman. Thank you.

The CHAIRMAN. Mr. Clement?

Mr. CLEMENT. Thank you, Mr. Chairman.

Mr. Runyon, great to have you here today. I know Congressman Hancock, my colleague, commented a while ago about the clean air bill. I might say to you, TVA, in years past, spent some money when other utilities did not spend money for clean air.

That is why TVA probably—it will not have to do as much as other utilities across the country when it concerns clean air, because we were one of the leaders in the country in terms of cleaning up the utilities and trying to solve the problem with acid rain.

I know it has already been mentioned very briefly about nuclear power. I would like for us to expand that conversation, because I think we are going to hear a lot more about it, particularly in 1991, with all those oil spills and realizing that by the year 2000, we will probably be 60 percent dependent on foreign oil.

Much of it has to do not necessarily with the exploration of oil and gas, but the transportation of oil. Most of it has not been domestic carriers. It has been foreign carriers, just like the one we are struggling with with the Norwegian freighter at this time. I think we are going to look seriously again at the nuclear option.

Mr. Runyon, as you know, we almost lost the nuclear option. Not economical, people not thinking it was safe enough. It is almost as if there was a conspiracy to destroy the nuclear option.

I would like for you to expand. What does the nuclear option mean, not only to the Tennessee Valley area, but for the entire country?

Mr. RUNYON. I think that nuclear energy is safe, it is clean, and it is as economical as any kind of energy we can get. We have a problem today, however, in that the costs of putting a nuclear plant in place is very, very high.

I think we need to adopt some type of policy in this country whereby we would agree that we would build all the same type of unit, probably 600 megawatts in size, because that is an economical size. When you get much smaller than that, it is not as economical; that it should be a common design that any plant that is built would meet that design.

Having said that, that design has to be pre-approved by the NRC so that you know when you build that, that you will get a license as long as you build it to the specifications that have been pre-approved.

I think if we could do that, then we could get to the point that we could build a nuclear plant in this country in five years and make it more economical to do it. It is something I am very interested in, because at TVA, we have enough power to last us until the year 2000 by the completion of the nuclear plans that we have already started.

But at the year 2000, 2002, 2003, depending on demand, we are going to be having to have more power in place. I don't mean think about it. I am talking about having it in place. So, in the next two or three years, we will have to make a decision at TVA what that power is going to be, because it takes seven years to put a coal plant in place.

So, we have have to decide if it is going to be coal or nuclear. We can't make that nuclear decision until we get this type of thing that I am talking about. At TVA, we have got nine nuclear plants, and they all are different. We cannot move an operator from the Brown's Ferry nuclear plant to the Sequoyah nuclear plant without extensive training.

I am talking about extensive like months of training. We ought to be able to have nuclear plants in this country so that you can have an operator in Seattle that could move to Atlanta and do that job, because the plant is identical in size and scope and operation.

Mr. MINETA. Would my colleague yield on that?

Mr. Runyon, that is an interesting point, because I would like to follow up on that. Boeing built the 747. Boeing gets that airplane certified by the FAA. United Airlines doesn't have the 747, they buy certified by FAA. American Airlines doesn't have this 747, they buy certified by the FAA.

So, in this case, if you have got, let's say, light water reactors, whatever, is there a way of having—you only have General Electric, Westinghouse, Babcock, Wilcox——

Mr. RUNYON. Combustion Engineering.

Mr. MINETA. As the producers of nuclear plants. Why can't we get, let's say, those four, then, to get a license for their plants licensed by NRC so that each of them can take those licensed plants and put them inside A or B and modify them because of the topography and because—or because of the nature of the construction that is going on, rather than to have each time another United Airlines, Braniff—they don't get each airplane that they buy certified.

Why can't we use that same approach as it relates to nuclear powerplants?

Mr. RUNYON. I think that is an excellent approach. I would take it a step further. I would have one design. Any one of them could build it. The competition would be who would build it the cheapest. You see, we are talking four designs. When you take four designs, you can't move a GE operator into a Westinghouse plant.

Mr. MINETA. Competitive pressure is to keep technology advancing for the cost down?

Mr. RUNYON. You need the competitive pressure. You can take the competitive pressure by first having a competitive design. Take that design and then put it to bid and get the competitive pressure on the bid for the parts. You do that in the automobile industry, you know. We design a vehicle. Then you put it out for bids. The parts.

There are three criteria on anything anybody buys, whether it is electricity, nuclear plant, coat and tie: Quality, price and delivery. If you take the print and say this is the print we are going to have in nuclear plants, so we can move operators from place to place and we can certify one nuclear plant, then you can have bidding on components in that, and you can have four people bidding against each other.

As long as quality, price and delivery are compatible, then you are going to take the best price.

Mr. **Clement**. Chairman Mineta, I might say to you that I have got a bill pending right now that Chairman Runyon is very familiar with, on nuclear standardization. My bill that I have got pending before the U.S. House of Representatives would solve many of those problems, where we could build a nuclear plant in five years rather than 12 years or more.

We would have a savings of 55 percent of the total cost of the nuclear plant. We are talking about billions of dollars, as you know, for each nuclear plant. It would be a tremendous break for the ratepayer, for the consumer. It would be safer, it would be more economical.

What it would do for America, it would make the United States more energy—it would make them energy-independent. We would also want to preserve our diversity. I think that is extremely important.

What about—and I would like for you to comment about my bill that is pending now, and then also about energy independence and diversity.

Mr. **Runyon**. I think what we are talking about is when we can do things cheaper and provide infrastructure in this country that is more competitive with people from around the world, that is what the game is all about. That is what we have got to get into. I think your bill does do that.

Mr. **Clement**. A senior economist at the Federal Reserve Bank recently stated, a root cause of the decline in the competitive position of the United States in the international economy may be found in the slow rate which our country has chosen to add to its stock of highways, port facilities and airports, which aid in the production and distribution of goods and services.

Do you think this to be the case?

Mr. **Runyon**. Yes, I do.

Mr. **Clement**. Why?

Mr. **Runyon**. You know, when you say the slow rate of putting in roads and railroads and things of that nature, I think I have just testified that we don't start our roads early enough to meet the demand. We need to get ahead of the demand in that area. Railroads are another good example.

We need to take a good look at the total infrastructure that we have, railroads versus roads. I travel around the Tennessee Valley a lot. We used to have company airplanes. We sold them because we couldn't afford to upkeep the company airplanes at TVA any more. Now we drive cars.

We drive cars because air transportation, public air transportation in the Valley just isn't as adequate. That is number one.

Number two, road transportation is a real problem because people are now building roads that should have been built 10 years ago. I think we need to get ahead of that curve.

The other thing we don't have is railroads. We have no railroads. When you talk about competition and you go overseas and you go to Japan and you look at the railroads they have got that operate on the second and move hundreds of thousands of people, they are way ahead of us in that. We need to get some railroads here that will travel 200, 300 miles an hour and get you from place to place.

Cut down the need for cars to be on the highway. Cut down the pollution that they create, no matter how good and how clean they are. Cut down the demand on common—on the use of oil which is foreign oil, as you mentioned. So those are the kinds of things that I think we need to be working on.

Mr. CLEMENT. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Clinger?

Mr. CLINGER. Thank you, Mr. Chairman. I have no questions.

The CHAIRMAN. Mr. Oberstar?

Mr. OBERSTAR. Thank you, Mr. Chairman.

Thank you, Mr. Runyon, for being with us and sharing your thoughts about productivity and infrastructure, the viewpoint of one of the great infrastructure programs of the Federal Government.

You cited the river traffic, page 2 of your testimony, and contrasted upstream dams built in the thirties and forties and their size to the size of a more recently-built downstream dam. You didn't assign a cost to rebuild those structures to accommodate traffic and move it more efficiently and effectively. I think that is one of the matters we need to know about.

When you approach a challenge of this nature, what is your thought process? How do you go about determining whether or not to undertake restructuring of dams? What will it cost? What will be its benefits?

Mr. RUNYON. What we are doing at the present time, we started this fiscal year. We intend to extend it through the next fiscal year at the direction of Congress. To determine the cost justification, cost benefit of enlarging those locks at those three locations, at Chickamauga, Watts-Bar and Louloun. We intend to have that study completed in the next fiscal year.

When we complete that study, we will have the answers to all these questions so we can make a good presentation to Congress as to what the cost benefit of that would be.

Mr. OBERSTAR. What is the cost of delay now? Your testimony says that if a barge tow can move through the lower locks in an hour, and on the upper locks it takes an hour for each barge in that tow. There must be costs associated with delay that ultimately are passed on to consumers. Public productivity is suffering as a result.

Mr. RUNYON. I don't have those costs with me. I would be glad to supply it for the record.

[The information follows:]

On the Tennessee River, barges are most economically moved in groups (tows) of fifteen barges pushed by one towboat. The average cost of operating a tow is about $250 per hour or $6,000 per day. It takes about two and one-half hours at a cost of

$625 to move a fifteen barge tow through the 600-foot locks below Chattanooga. To move the same tow through the small locks on the upper part of the system would require about fifteen hours at a cost of $3,750. Thus, the additional cost of locking a typical tow through each of the small locks would amount to over $3,000. These additional costs are reflected in rates for loaded barge movements above Chattanooga that are typically two to three times those for the rest of the system.

Mr. OBERSTAR. I think that is central to the inquiry of this committee, trying to assess the productivity and relationship between infrastructure and productivity.

My view is that the public sector must be productive for the private sector to be productive. The public sector is productive when our roads work, our roads are in good repair, bridges are in good repair and when our waterways are doing the jobs for which they are intended.

When they deteriorate, the private sector experiences delays in delivering goods. The public pays those costs. We maintain in place a process by which we continually review, continually upgrade, continually reduce the cost of bringing goods to market and people to jobs so that our private sector can remain productive.

Thank you.

The CHAIRMAN. Thank you, Mr. Oberstar.

Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman.

We have not discussed the balance between Federal, state and local sharing of rebuilding America's infrastructure. I would be interested in your views on that, and also, what role the private sector might play as we look for funds and try to balance the funding mechanisms for such a huge undertaking.

Mr. RUNYON. I think that in the area of the private sector, I think there is place for them to provide funds through the taxes that we come up with, either through state or Federal. Usually that is state taxes, I believe. I think that there is an important part that they play.

From the standpoint of federal funding, I think things such as the waterways, which flow through States and are very difficult for a State to do anything on its own, are the things that become really sort of federal role. I think that the States have a very important part to play, though, in their area of jurisdiction, when it comes to roads, to determine what needs to be done.

From the standpoint of even going lower than that, cities and counties have some responsibility in determining how they are going to use their particular part of the funds and how they are going to provide the funds.

In the area of education, for example, I think that in education, you have many people who are responsible. You have cities, you have states, you have counties. Then you have principals. And you have Federal standards, so to speak, that I think we should have, and we should all be meeting those standards.

I think it is very hard to define who should be doing what. Anything that we do, we need to look at the cost justification of it. We need to look at what it takes to make us competitive internationally in that area.

Infrastructure, we have to be competitive internationally also. We tend to think that doesn't affect us, because it is something that is here. It is here, but how we use it makes us competitive worldwide.

I think that it is a very difficult question to answer exactly what percent should each one pay. We have to look at the end use to determine who actually is most responsible.

The CHAIRMAN. Mr. Duncan?

Mr. DUNCAN. Thank you, Mr. Chairman.

Chairman Runyon, I want to welcome you to the committee. I want to say that I have always been most favorably impressed with the job that you have performed as Chairman. Sometimes we say that one person can't make a real difference in this world, but you have certainly made a real difference with TVA.

I especially commend your efforts to make TVA more businesslike and more competitive. I know you have had to make some tough decisions and some decisions that probably you didn't really want to make. But the ratepayers of the Valley have benefited in your efforts, your valiant efforts to hold down the rate increases.

I will be very brief. TVA, of course, is very important to my District. It has a presence in many districts, but we have always been proud in Knoxville to be the home of TVA—or, we consider ourselves to be the home of TVA.

When we are talking about infrastructure, we are really talking about the age and shape or age and condition of certain types of facilities, such as roads and other public works. Some of the dams that TVA has have some age on them now. What are your concerns about the age and condition of the TVA infrastructure of the nuclear plants, the dams and any other facilities?

Are you concerned about that? Is the infrastructure a real problem with TVA at this point?

Mr. RUNYON. We continue to have a concern about infrastructure. I was at Norris' Dam yesterday. We have one unit that is down. For the first time, I was able to walk down into where the water comes in from the lake, to produce the power. I was surprised. For a dam to be as old as Norris Dam, which is the first one that was built, the shape that it was in.

The water wheels that are in those are a design that is 50 years old. We need to redesign them. By redesign, we can improve the efficiency of those dams by anywhere from 2 to 5 percent. That may not sound like much, but that is a lot. Two to 5 percent is a lot. We need to be looking at that, and we are.

In the past five years, our fossil plants have been worked very hard at TVA, because our nuclear plants were down and we need to depend totally on the fossil plants. We are looking at all the fossil plants right now to determine what it takes to upgrade them so that they will be in first-class shape.

You understand, and I know that you know this, but I will repeat it. All of the money in the power system is supplied by the ratepayers. So, the infrastructure of TVA in the power system will be paid for by the ratepayers.

It is sort of like the private people are paying for that and not appropriated money is paying for that. And so, we need to spend a lot of money to get those in first-class shape, and we are going to do that. We are setting up now—setting out now plant-by-plant to do that.

The nuclear plants, we now have Sequoyah in first-class shape. We received a very good rating from NRC just recently at Sequoyah. We are very proud of that. We are going to have the rest of our nuclear plants in first-class shape.

I think we are getting our infrastructure in good shape. Our distribution system is in good shape. We will continue to keep it upgraded.

The dams, we continue to look at them. We have a dam safety program. We are continuing to investigate our dams. As a matter of fact, this year, we are dropping the water at Fontana Dam. We are dropping it lower than it has ever been dropped to make our five-year inspection, to make sure we understand everything we need to know about that dam.

We will take whatever action is necessary as a result of our inspection.

I think we are going to have the infrastructure at TVA in excellent shape.

Mr. DUNCAN. I know there have been some substantial reductions, I think some 11,000 employees in the last few years. Are you able to get the key employees that you need to carry out this tremendous task of holding down rates and still improving the infrastructure at this point? Are you having some difficulty in competing with private power companies in that regard?

Mr. RUNYON. We have some difficulty. First, the major problem is that we can pay no employee at TVA more than a director makes. At the present time, I think a director makes $83,000.

It is difficult to find a senior vice president of nuclear power to come to work for you for $83,000 when they can make $250,000 working for any one of a number of, say, 60 power companies that have nuclear power. That is a problem for us.

We have put in place some things, such as bonuses and additional retirement benefits and so forth, to encourage people like Oliver Kingsley, who is doing an outstanding job for us, to come to work for TVA. Not everybody wants to come to work on the basis that a lot of their pay will be on a bonus which they may or may not get, which they don't have to do when they are in private industry.

One thing that would be very helpful to us is if we didn't have that ceiling on pay, if we could just pay competitive wages with the people we compete with. We are competing really in a private industry, which an electric utility is, with private people's money. That is our ratepayers. They pay money not through taxes, but through their rates.

We would like to be able to compete equally with them.

Mr. DUNCAN. One more thing, and I will stop, because I have a meeting to go to, and I am sure you do, too. But there is a feeling among many people that TVA is subsidized to a very large extent by taxpayers from all around the Nation.

What percentage of total TVA revenues come from the ratepayers, and what percentage comes from federal appropriations?

Mr. RUNYON. Our budget for power is about $5.4 billion. And in appropriations last year, we got $119 million. So, it is about 2 percent.

Mr. DUNCAN. All right. And that——

Mr. **Runyon**. From appropriations. By the way, none of the appropriations is used in the power funds. Appropriations is used in such things as the dam can control floods, as shown in the fertilizer research program, where 75 percent of the world's fertilizer will be developed there.

In areas like that is where the appropriated funds go, not an entire system.

Mr. **Duncan**. That was the next question I had. Thank you very much for the job you are doing, Mr. Runyon.

Thank you.

The **Chairman**. Thank you, Mr. Duncan.

Thank you, Mr. Runyon, for an excellent presentation. This committee looks forward to continuing to work with you and the TVA. Thank you very much.

[Mr. Runyon's statement appears on page 422.]

The **Chairman**. For the past two years, the Chamber of Commerce has been important in promoting infrastructure as a priority issue. I have encouraged this, because I believe there is a direct link between public works and our Nation's business community.

That is why I am pleased to have the Chamber of Commerce here today. In particular, Mr. John Bush, Vice President of Governmental Affairs of the United States Gypsum Company; and Mr. William D. Kelleher, Manager, Community Resources, the United States Chamber of Commerce.

I look forward to your presentations. Mr. Bush, you are first.

TESTIMONY OF JOHN BUSH, VICE PRESIDENT, GOVERNMENTAL AFFAIRS, U.S. GYPSUM CO., ON BEHALF OF THE U.S. CHAMBER OF COMMERCE, ACCOMPANIED BY WILLIAM D. KELLEHER, MANAGER, COMMUNITY RESOURCES, U.S. CHAMBER OF COMMERCE

Mr. **Bush**. Mr. Chairman, Mr. Hammerschmidt, and members of the committee, thank you for the privilege of being here. I am John Bush. Next to me is Bill Kelleher, the Chamber's Manager of Community Resources.

I would like to excerpt central points from our testimony, Mr. Chairman, and have the full testimony made part of the record.

The **Chairman**. Without objection, so ordered.

Mr. **Bush**. America's transportation infrastructure is crumbling, as we heard from others today, including yourself, Mr. Chairman. Decaying and overburdened roads, bridges, highways, airports, waterways are robbing the Nation of economic vitality.

Mobility, that is, the ability to move people and goods, has always been important to the United States because of its size and dispersion of economic activity. In a global economy, an efficient and cost-effective transportation network is vital to international competitiveness.

As world economic boundaries disappear and economic opportunities develop overnight, our Nation's ability to move people and goods quickly will play a major role in shaping our economic future.

In the fifties and sixties, America had a transportation network that was the envy of the rest of the world. This network played an important role in enhancing productivity and keeping costs low. In contrast, today, the United States faces a gridlock crisis in its transportation network.

Mr. Chairman and members of the committee, the Chamber specifically urges the committee to do the following things: One, put the trust back in transportation's trust funds by spending the funds' existing surpluses.

Two, ensure the continued financial integrity of the trust funds by taking them off-budget.

Next, oppose efforts to usurp transportation user fee revenues for other purposes. Support a Federal leadership role in establishing a national transportation system.

Enhance options for public-private partnerships and privatization and consider establishing an infrastructure bank and using capital budgeting concepts to better change infrastructure spending.

America's transportation infrastructure crisis is a result of six major trends, as we analyze the situation. First, suburban development. Next, economic relocation, demographic and labor force changes, increased automobile use, reliance on trucks and lack of infrastructure investment.

By almost any measure, the United States has reduced its investment in infrastructure. As a share of Gross National Product, spending on public capital dropped from 2.3 percent of GNP in 1960 to less than 1.1 percent in 1985.

As you said earlier, the U.S. ranks 55th in the world in capital investment in infrastructure. It spends a smaller share of its resources on highway investments than Japan spends, which relies much more heavily on rail transportation than do we in the United States.

As noted by David Aschauer, Senior Economist at the Federal Reserve Bank, the net result is decline of U.S. competitiveness. He said:

> A root cause of the decline in the competitive position in the United States may be found in the low rate in which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods and services.
>
> For example, during the past two decades, Japan has invested about 5 percent of output in public works and achieved a productivity growth of slightly over 3 percent.
>
> While the U.S. has maintained a low public investment ratio of three-tenths of 1 percent and has seen inferior productivity growth at only six-tenths of 1 percent per year, America's transportation needs have changed.

Since 1950, 86 percent of the U.S. population growth has taken place in the suburban areas surrounding our cities. The impact of these trends can be seen in communities around the country.

For example, in a county 18 miles outside of Atlanta, the population has grown from 72,000 in 1970 to 250,000 in 1987. Very familiar to us here in the Washington area is Tyson's Corner, a nearby Virginia suburb. Tyson's Corner was virtually non-existent in 1950. Today, Tyson's Corner has more office space than either the City of Baltimore or downtown Miami.

Demand for new highways accompanying the population and employment migration to the suburbs and beyond has been met by an increase in new construction—has not been met by an increase in new construction. While the overall number of vehicle miles traveled between 1960 and 1987 increased roughly 168 percent in the United States, the number of new highway miles increased by only 9 percent.

Mr. Bush. As noted by the National Council on Public Works Improvement, "We have worn through the cushion of excess capacity built into the earlier investments without making commensurate investments of our own." The result has been a decline in our competitive position in the world economy and our quality of life.

Now, what has been the impact on business operations and productivity? There is a saying in business that nothing starts to happen until someone makes a sale. The corollary to that statement is that no job is finished until the product is delivered.

The declining quality of our highway infrastructure is impacting all aspects of business operations and is increasing costs and imposing delays that are hindering our ability to compete in a global economy.

As shown in table 1, all aspects of American business are using just-in-time inventory procedures to reduce inventory costs and limit the amount of capital tied up in unproductive areas. This requires a transportation system that can respond in a reliable and predictable manner.

To utilize plant and equipment and use labor more efficiently, firms are also using lower production run numbers. However, this process requires more frequent deliveries of raw materials and subcomponents as well as additional shipments to customers.

Transportation is a significant component of the costs of all goods. On average, 20 percent of the final cost of goods is the result of transportation expenses. An inefficient transportation system increases costs throughout the economy because it has an impact on manufactured goods at all stages of the production process.

How much should the United States invest in transportation infrastructure?

The U.S. Chamber of Commerce supports the concept of infrastructure investment as a means to promote economic growth, improve our competitive position in a global economy and stimulate improvements in American productivity.

Further, the chamber recommends that federal highway program spending levels be made consistent with American Association of State Highway and Transportation Officials report, "New Transportation Concepts for a New Century."

This would mean federal highway funding levels of $17.6 billion in fiscal year 1992, $19.6 billion in fiscal year 1993, $22.7 billion in fiscal year 1994, and $25.9 billion in fiscal year 1995.

Further, the chamber endorses reaching the high investment range in the 1988–2020 planning period, as shown in chart 2. In the short term, two to three years, we believe this level of investment can be supported by current user fee revenues and a reasonable drawdown on the existing highway trust fund surpluses and the interest income from the remaining surplus.

The chamber's recommendation is based on the vital role of transportation in the economy.

In summary, here is the chamber's position: the chamber supports continued federal action to provide a transportation system that meets the Nation's mobility needs.

There is an immediate need to begin to restore those portions of the basic infrastructure that have fallen into dangerous disrepair. In addition, every effort must be made to begin constructing those projects needed to provide the services required to accommodate growth. Programs to better use the existing infrastructure network should be encouraged.

User fees should play a central role in financing infrastructure construction, rehabilitation and maintenance.

The massive infrastructure needs of the Nation will require the establishment and enforcement of priorities for repairing, rebuilding and developing the public works needed to support commerce and protect the public health and safety.

Where appropriate, provision of public infrastructure services through private means or local authorities should be considered on a cost-effective basis. Privatization can and should play a key role in meeting public capital needs.

Establishment of a federal infrastructure bank should be considered by Congress as a method for improving the management of Federal contributions to State and local efforts.

Next year, Congress faces one of its most important challenges in 25 years. The basic legislation covering highway and transit programs will expire. The interstate highway system, which has provided a focal point for this legislation, will be declared complete. This will provide Congress, the Administration and the business community with an opportunity to establish new directions and develop new priorities.

Thank you again for this opportunity to express our views. Be assured of our vigorous support for your efforts to revitalize our highway system.

The **Chairman**. Mr. Hammerschmidt?

Mr. **Hammerschmidt**. Thank you very much, John, for a very comprehensive statement and getting the U.S. Chamber of Commerce on record for some important issues.

You know, this committee has been in the forefront of wanting to take the trust funds off-budget. We have been through that battle many times, and have almost been successful.

I am delighted to see the chamber on record of expending that money and giving us this projection what you think is reasonable out in the future. I, for one, agree with those projections.

Mr. Kelleher, are you making these known?

Mr. **Kelleher**. Yes, we are, Mr. Hammerschmidt. We are making an extensive effort to get this message out, not only to Congress, but our membership as well. About 15 months ago, we made a special effort on our annual meeting, and Mr. Clinger may remember participating in a video. We sent that out to about 350 chambers of commerce around the country.

We featured this issue on the cover of our magazine. I went out last week to talk to 100 Chambers in the mountain States about the need to increase spending on infrastructure, and put the federal program in a mode that would make the Federal Government a consistent partner. By taking the trust funds off-budget is one of the things we see as a key towards putting that reliability back into this area.

Mr. **Hammerschmidt**. I think that is great. I am delighted. It is more important you light that fire at the grass roots than up here on Capitol Hill, because ultimately, those views reflect itself up here.

I have a group of students here and teachers from Sala Christian School from Arkansas, and I am going to excuse myself. And we also have a vote on.

Thank you very much.

The **Chairman**. We do have a vote, so our time is running out. We have to recess to go vote and we will try to get back by 12:20.

We will stand in recess until 12:20.

[Recess.]

The **Chairman**. The meeting of the committee will come to order.

Mr. Bush, in the past, the chamber was not always a big supporter of infrastructure. Why the change, and how does it relate to a greater appreciation of the linkage between infrastructure and business goals?

Mr. **Bush**. I think Bill Kelleher would have a better handle on the history of this.

The **Chairman**. Mr. Kelleher?

Mr. **Kelleher**. That is very interesting. You asked that, Mr. Chairman, of one of our people that handles corporate relations, a gentleman by the name of John Mebon, is retiring, and he has been with us for about 30 years. Cleaning out his files, he sent us one of our newspapers in the 1950s.

The headline there is, "The Chamber is Supporting Infrastructure." And I think this is a return to some of our basic positions. I believe our current effort can be traced to the fact that transportation is a necessary part of a great deal of what is being done in the development of business strategies.

In our statement, we point to use of just in time inventory concepts and the fact that it is increasingly being relied on. The running of smaller batches, which requires more distribution efforts.

All of these things make transportation a key part of a business strategy.

The other issue I would raise with you is a point that as we get direct manufacturing costs down, and management experts like Peter Drucker say you have to get them down some place under 20 percent to be competitive internationally, freight charges, indirect support charges become increasingly important in terms of competitiveness in terms of final price.

Ultimately, our customers don't care how much went for transportation, direct labor, raw materials, they care about final price. If transportation costs continue to impose the forcasted excess cost of a $50 billion increase by the turn of the century, that is going to have an impact on our ability to compete internationally.

The **Chairman**. Mr. Bush, sometimes we use the words "productivity, growth and competitiveness," and when we do, we think of concepts and not realities.

Now, given your practical business experience, what do these words mean as applied to infrastructure and the daily operations of the business community?

Mr. **Bush**. We had an incident at one of our 24 manufacturing plants here in the United States, a little town called Stony Point in New York, below West Point on the Hudson River, where a bridge was rated from 60,000 pounds overnight down to 20,000 pounds because of its inadequate capacity or unsafe condition. It is going to be about two years before that bridge is fixed. We run about 60 large trucks out of that plant, delivering out product each day.

It was necessary to cut the antennas off the trucks and the exhaust pipes, so that we could squeeze them under a very narrow underpass under this railroad, because we couldn't get over it on the bridge any longer; and move the trucks along city streets, which is going to break those streets up.

Now, any time operations are delayed, and we are getting this in a generalized situation on most of the roads our trucks—our 1,000 or more trucks travel each day, it is less productive because it is a slower operation, it is a more costly operation, more repairs on the trucks.

I think—you know, Mr. Chairman, how things go sort of in cycles, and I think the business community is just sick and tired of the ruined tires, the delayed production schedules, because we are not able to get our raw materials in, or we are not able to service our customers as promptly as we wish, that productivity, so that is it.

And the other two were?

The **Chairman**. Growth and competitiveness.

Mr. **Bush**. If the costs go up, you are less competitive. Transportation is generally more than our labor costs, because our plants are highly automated, so that you get 2 or 3 or 5 percent productivity increase out of your workers and transportation goes up 1 or 2 percent, and you have lost the whole thing.

The **Chairman**. Now, we need to educate America about the importance of infrastructure, that it is a global economy issue. Do you have any suggestions on how we should do this?

Mr. **Bush**. Well, I think we certainly can mobilize the business community, and that is what the chamber represents here, and speak to that audience. Workers should be informed by their managements that their jobs are going to be less secure.

Of course, you don't want to frighten people, but educate them on the need to support infrastructure repair and renovation and improvement.

Mr. **Kelleher**. If I could add just one thing, Mr. Chairman? One of the things we are trying to do, we are going to launch a new effort out to 1,000 chambers around the country in which we are going to send them a newsletter every month, trying to highlight the role of infrastructure and transportation in economic development, in community development.

Also, we continue to try and do things to make the general public aware. Mr. Boehlert of this committee was, last week, on our public show, "It's Your Business," concerning the issue of taking the aviation trust—we have been active in the Partnership for Improved Air Travel and Aviation Roundtable to go out and let people see the link between transportation and your jobs.

Your previous witness made a very good point. We are playing catch-up, and I believe a lot of times the general public, when they see road-building taking place, when they see an addition to the airport, think that is the cause of the problem.

We need to work together with the Congress to make the public aware that is part of the solution, but that the solution is going to take some time before we get any net gains, but we are committed to it in the long run.

The **Chairman**. Well, I asked the question because obviously, I think it is a message we have to get out. I know we are going to be doing our part. We have had one hearing in the New York area, and here, and we are talking about one in California, another one up in Washington, all over the country, but we will be doing this and meeting with the business communities and the U.S. Chambers of Commerce. At the same time we are going to be working with you.

Mr. Bush and Mr. Kelleher, I want to thank you for your statement, and all the work you are doing and the chamber is doing to promote infrastructure. I thank you.

Mr. **Bush**. You have been very gracious, Mr. Chairman. Thank you.

[Mr. Bush's statement appears on page 396.]

The **Chairman**. Our last set of witnesses today are a panel of distinguished economists who have written and spoken extensively on the use of infrastructure and its impact on our economic productivity and competitiveness.

The panel includes Dr. David Lewis, Partner-in-Charge of James F. Hickling Management Consultants; Dr. David Aschauer, Senior Economist, Research Department, Federal Reserve Bank of Chicago; and Dr. Laurits Christensen, President of Christensen Associates.

I was told they were all here. Are they? We will begin with Dr. Lewis, who I understand will serve as sort of moderator for the panel.

Dr. Lewis?

TESTIMONY OF DR. DAVID LEWIS, PARTNER-IN-CHARGE, JAMES F. HICKLING MANAGEMENT CONSULTANTS, LTD., ACCOMPANIED BY DANIEL HARA, SENIOR CONSULTANT; DR. DAVID ASCHAUER, SENIOR ECONOMIST, RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF CHICAGO; AND DR. LAURITS CHRISTENSEN, PRESIDENT, CHRISTENSEN ASSOCIATES

Mr. **Lewis**. Thank you, Mr. Chairman.

We have formed this panel to offer the committee a perspective on the question of public infrastructure investment in the context of its role in promoting national economic growth.

My comments will be presented first in the form of an overview. My colleagues on the panel, Mr. Daniel Hara to my left, Dr. David Aschauer, and Dr. Laurits Christensen, will add further detail to certain points that we believe deserve special emphasis.

Our overview touches on four interrelated points that help put the role of public infrastructure in perspective: The first is that enhanced productivity is key to long-term economic growth and improved living standards.

Second, more capital investment is a critical factor in enhancing the rate of growth in productivity.

Third, both private and public infrastructure are important aspects of capital investment as a source of productivity growth.

Fourth, not all investment is good investment. Sound analysis has a key role to play in promoting America's economic future. More capital formation in general is crucial for productivity and living standards and public investment has a key role to play.

Equally important is the quality of investment. More private capital formation will generally lead to high quality investment because market forces provide firms with an incentive to channel capital dollars productively. In the public sector, on the other hand, special efforts are needed to ensure that investment dollars are used wisely. Infrastructure programs and projects must be planned in recognition of the productivity potential they can unlock for private industry.

I would like to turn to Mr. Hara and then Dr. Aschauer.

Mr. HARA. My name is Dan Hara, I am a principal with Hickling, and head of Policy Research. For the past several years, I have specialized in capital projects, including expansion of airports at Minneapolis-St. Paul and Vancouver.

I would like to address briefly the points raised by Dr. Lewis.

Enhanced productivity is key to long-term economic growth and improved living standards.

Real output, or Gross National Product, may be viewed as the number of workers in the economy times the production per worker. Future growth will come from one of these two sources—more workers, greater productivity per worker—or from both. However, both labor force growth and productivity growth have been dropping relative to past levels.

Labor force growth has slowed from as high as 2.9 percent per year in the late 1970s to a projected level of 1.3 percent between 1987 and 1998, and a further reduction in later years, between 1998 and 2011. This slowdown reflects both lower population growth and smaller increases in labor force participation.

To our misfortune, growth in U.S. productivity has also declined in relation to historical patterns. Whereas total factor productivity of the United States economy had increased by an average of 1.19 percent per year between 1913 and 1950, it actually declined by about 0.5 percent per year between 1973 and 1984.

If current trends continue, many forecasters foresee total productivity in the United States growing on average by about 1.5 percent over the next quarter-century.

When long-term forecasts of labor force and productivity growth are combined, the 25-year outlook for overall economic growth is about 2.5 percent a year. According to Professor Ralf Landau, a consulting Professor of Economics at Stanford University and a faculty member at Harvard's Kennedy School of Government, if the long-term rate of U.S. economic growth is not increased to its historic level of some 3.5 percent, the ever-greater employment opportunities and higher levels of material well-being to which most Americans have grown accustomed will no longer be possible.

An increase in the projected growth rate in overall productivity of 0.8 percent a year would be sufficient to bring overall economic growth to the level of about 3.5 percent over the long term. Although the amount may seem small on an annual basis, the compound effect over many years would be substantial.

Higher productivity would allow industry to increase its international competitiveness without sacrificing the wages of its workers.

If productivity is the key to growth, what factors are key to improved productivity? One well-known factor is the level of capital investment per worker. The more capital invested per worker, the more productive each worker can be.

Consequently, the greater the rate of investment in new capital, the greater the rate of growth in productivity. Researchers have documented a strong statistical relationship between the growth rate in capital investment per worker and the growth rate of labor productivity.

Nations with high gross capital formation display high growth rates in labor productivity and vice versa. The U.S., with the lowest growth rate in capital investment per worker among the nations of North America, Europe and Japan, has also enjoyed the lowest rate of growth in labor productivity.

The rate of capital investment is important not only for its addition to the amount of capital per worker, but for its impact on the quality of that capital. Second, there are two effects. Because new capital tends to embody the latest technology, the more rapidly new capital is added to the capital stock, the faster the average productivity will grow.

The significant, though less obvious point is that the rate of technological progress itself is dependent on the rate of capital investment. The more quickly new capital is added to the capital stock, the better the quality of that capital will be in terms of the innovative technology it embodies. This, in turn, means higher productivity and higher growth.

How is it that capital investment stimulates technological advance and productivity growth? According to Landau's research, the answer may be found in the way technological change is incorporated into capital equipment and facilities. Except for a small part devoted to basic science, research and development is seldom undertaken unless its results are expected to be applied in new facilities and operations.

Therefore, a larger rate of investment creates a market for technological improvements, spurring technological advance and improved productivity.

Considering now the role of public investment: as with private investment, the rate of public investment is important to productivity growth.

The productivity of public capital is driven by new investments. Not until 1985, when Congress authorizes a multi-billion investment program for the Nation's air traffic control system, did it also authorize the Federal Aviation Administration to begin in earnest a program of research and development in advanced automation. The research of Dr. Lewis at that time indicated that, well-managed, such a program would yield more than $36 billion in productivity improvements for airlines, business travelers and industry.

A similar example is apparent in the case of Federal highway investment. It was in association with a sizable increase in the level of Federal highway spending that Congress saw fit to authorize the Strategic Highway Research Program, a multi-million-dollar effort to find more productive pavements, construction methods and maintenance techniques.

New technology and approaches embodied in public capital investments also unlock, in turn, the application of new technologies in the private sector. New air traffic control facilities lead to innovations in aircraft management.

More generally, there is emerging statistical evidence of the influence of public capital investment on the Nation's overall rate of growth in productivity. We mentioned earlier that researchers have documented statistically a complementary relationship between gross capital investment and the rate of productivity growth.

Other researchers, such as Dr. David Aschauer on our panel, of the Chicago Federal Reserve Board, are trying to disentangle the relative influence of private and public investment and coming up with interesting results.

The findings indicate that both private and public capital investment contribute to productivity growth. There is also some statistical indication that the returns to public capital investment presently exceed private returns. But this debate partly misses the point that both private and public investment can create the economic conditions for more productivity and thus the enhanced economic growth needed to sustain living standards.

While the rate of investment in public capital is crucial, we must also be discriminating on where that investment is made. Not all investment is good investment.

In the private sector, the profit motive, combined with competitive forces, tend to ensure that the right kind of investment takes place. In the public sector, it is necessary to find a way to test and ensure that the right kind of investments are being made.

Traditionally, the practice of cost-benefit analysis is supposed to answer this need. Projects which pass cost-benefit tests are supposed to be the most worthwhile.

In principal, benefit-cost does provide the correct answers and guidelines. However, research in progress by Hickling and Christensen is asking whether cost-benefit analysis, as currently practiced, measures the full productive potential of infrastructure projects. The evidence thus far is that, under certain circumstances, it does not.

The theoretical foundations of this finding are now being completed, but in essence, the problem is one of anticipating the impact of public sector investment on private sector productivity.

For example, typical benefit-cost assessments of road improvements will measure benefits by assuming that the current overall structure of the road network is the most productive, and that the current types of vehicles traveling on the road will be unaffected.

Benefits will be measured using time and fuel savings and to existing traffic. If new road surface standards permit the design of a better truck, the benefits of this to the private sector will normally be missed. If the development of satellite navigation and dispatching of trucks requires a redesign of the basic road network, this too could be missed with current benefit-cost techniques.

In short, the current practice of benefit-cost is based on assumption of the acceptability of the status quo. Allowance for the constraints this places on the application of new technologies by the private sector, is often neglected.

Industry itself is beginning to recognize the same point. Writing in a recent issue of the Journal of Transport Economics and Policy, a logistics executive, former specialist in public investment planning and analysis of a major supermarket chain writes that, "It is doubtful whether current methods of cost-benefit assessment fully account for the benefits of network improvements, which may include structural changes in distribution logistics."

Dr. David Quarmby, the author of this quotation, cites the case of highway network improvements leading—an example—the firm to reduce the number of food distribution depots needed to service a given territory of retail outlets. The benefits arising from this restructuring arise from the economies of fewer depots providing the same level of service and an inventory saving through a reduction in the number of stocking points.

Quarmby goes on to show that benefits to commercial vehicles of road improvements, calculated as in the conventional way, as straight time savings, will tend to underestimate the true "business potential" unlocked by such improvements. In the retail distribution of food, for example, it is shown that conventional cost-benefit analysis of network improvements could understate the true benefits by 30 to 50 percent if some form of restructuring takes place.

Quarmby also notes that the move away from own-account to contract distribution creates a more responsive "market" for distribution services, and this enables distribution networks to react and adjust even more readily as changes in the road network come along. This is to indicate changes are likely to occur.

Clearly, it is important that the business and productivity potential released by infrastructure improvements be clearly understood and incorporated in our assessment of public investment opportunities. Failure to do so translates directly into a risk of sharp underinvestment and mis-investment, with consequent sacrifices in economic growth and improved living standards.

The question is, how can this potential be exposed? To be sure, more in-depth surveys and studies are needed. Additionally, however, we see the need for a great deal more interaction between Federal and state government officials, the people who plan the infrastructure, and industry itself, the people who use it.

Infrastructure planners and decision-makers need to seek out the David Quarmbys, the logistics managers and the investment planners, industry by industry. We need to find out directly how different kinds of transportation facilities will affect the way they do business.

New forms of cooperation and information-sharing between the public and private sectors are needed in order to alert those who plan the infrastructure to the radical changes occurring in U.S. industry as it grapples with the need to cut inventories, speed the flow of products, and speed product development. All these considerations underpin our ability to compete globally, and to increase our standard of living.

Mr. LEWIS. I would like to offer you a very brief summary of our overview, and the overview concludes:

Productivity growth is the key to economic growth, competitiveness, and a rising standard of living. U.S. productivity growth has fallen below historical norms, and below our international competitors. A vigorous new look at public infrastructure investment offers a way to move productivity growth back up to its accustomed levels.

In setting total levels of investment in public infrastructure, we need to be aware of the extra impact of the rate of investment on the quality of capital. Higher rates of investment stimulate innovations, which improves the productivity and effectiveness of the new capital.

In assessing projects, we need to be aware of the impact that public investment has on private sector productivity. New forms of cooperation and information-sharing are necessary to identify and account for the private sector technologies and logistics enabled by public infrastructure investment. This will lead to not only a greater revealed need for investment, but also more productive investment.

You asked earlier, Mr. Chairman, how can the role of infrastructure be ingrained in the public? We believe information-sharing includes involving the public in the assessment of the analytical process, rather than exposure to the results of studies.

More capital investment is needed, both private and public, in order to give labor and firms more productive leverage over their output. In the case of public investment, special efforts are needed to ensure that decision-makers understand the private business potential that certain kinds of infrastructure projects can unlock. Without this understanding, continued under-investment is inevitable.

I would like to turn over the proceedings now to Dr. David Aschauer.

Mr. ASCHAUER. Thank you, David.

I should emphasize what I say here today does not reflect Federal Reserve policy.

Good morning. My name is David Alan Aschauer, and my position is as Senior Economist with the Federal Reserve Bank in Chicago. As is well known, according to a number of indicators, the United States economy has not performed well in recent years, as in the so-called "golden age" of the 1950s and 1960s.

For instance, we have seen a continuing slump in the growth rate of economic productivity, measured either conventionally as output per labor hour—labor productivity—or alternatively as output per unit of combined private labor and private capital services—so-called total factor or multifactor productivity.

Beginning sometime in the early 1970s—the exact point in time is unclear—productivity growth fell off by some 1.4 percent per year; in the case of labor productivity, from 2.8 percent to 1.4 percent.

This is clearly an important development, for what it means is that rather than output per hour doubling every 26 years, if the present trend continues, we can expect productivity to double only once every 51 years. This, in turn, implies that our future consumption opportunities, on a per capita basis, will rise much more slowly as well, impacting on a wide variety of issues, such as the viability of our national social insurance programs, as well as our national military security.

Also, not only has productivity growth fallen over time in the United States, but out productivity growth has been low for the past three decades relative to our major competitors. For example, from 1965 to 1985, Japan has achieved a labor productivity growth rate in excess of 3 percent per year, and West Germany well in excess of 2 percent per years. One reflection of our low productivity growth, when coupled with persistently high consumption growth, is the yawning current account deficit and the switch, during the 1980s, from our position as the world's largest creditor to the world's largest debtor nation.

A second dimension of poor economic performance, one which is related to low productivity growth, is a low profit rate on private capital structures and equipment. The profit rate has been depressed during the 1970s and 1980s by a considerable amount from its level in the 1950s and 1960s, to about 8 percent from about 11 percent in the golden age.

A third indicator of apparently inferior economic performance, one which is closely linked to the fall-off in the profit rate, is a low rate of private net investment in new plant and machinery. The growth rate of the private capital stock has been about 3 percent per year in recent years, down from about 4 percent in the 1950s and 1960s.

Of course, there is much controversy about the validity of these facts as well as about their appropriate interpretation. For instance, there are some, like Michael Darby, who argue that there has been no true productivity slowdown; instead, what we have chosen to see in that regard is "a case of statistical myopia."

Others, such as Martin Feldstein and Lawrence Summers, would argue that there is really no long-term down trend in the corporate profit rate. And there is much controversy about whether investment really has been depressed during the 1980s; individuals like Paul Craig Roberts choose to emphasize gross, as opposed to net, investment rates, and gross investment has been relatively stable during recent years.

Finally, it is necessary to be careful about interpreting movements in productivity, in profit rates, and in investment, or, for that matter, other variables such as the current account deficit, as indicators of economic malaise. The appropriate, or optimal, rates of national savings, investment and productivity growth are inherently unobservable and may well be changing over time.

Yet I think it is clear that the economy has not been doing well in recent decades and that the typical person on the street is rightly concerned about it.

Today I would like to discuss my recent research regarding a potential link between public infrastructure expenditure and the overall performance of the economy. Specifically, I will discuss the statistical information I have accumulated, indicating that:

One, there is a robust, positive linkage between public capital—particularly infrastructure capital—and private sector productivity.

Two, there exists a positive linkage between public, nonmilitary capital and the profit rate on private nonfinancial corporate capital.

And, three, there is a long-term positive relationship between public non-military investment spending and business investment.

While I hope to be convincing, I also hope to convey a degree of restraint as well. At minimum, my results are based on past relationships, and we must be cautious in using such results in any attempt to forecast the future importance of traditional public investment to the performance of the domestic economy.

As everyone here is no doubt well aware, public expenditure on non-military capital goods—infrastructure investment in facilities such as roads, bridges, dams, mass transit, and the like—has fallen rather dramatically in the past two decades.

As the first chart shows, non-military public investment rose as a percentage of Gross National Product throughout the 1950s and 1960s, peaking at nearly 4 percent in the latter half of the 1960s.

After that time, however, such capital spending tumbled as a percent of GNP until the early 1980s, reaching a low at that time of 2 percent. By 1987, public investment had rebounded to some degree—2.2 percent—but was still below the levels attained in the 1960s.

A similar pattern exists for what I have elsewhere termed a "core infrastructure" composed of items which may be thought to have a direct and more or less immediate impact on the country's productive capacity—highways, mass transit, airports, water and sewer systems, and electrical and gas facilities; specifically, a general increase until the mid-1960s, a fall off until early 1980s, and a slight improvement since that time.

Finally, even if we take out the two largest components of non-military public investment—in highways and educational buildings—the same overall trend is apparent. I ask: How might these trends in public spending be affecting the economy?

In its simplest terms, basic production theory links primary "factors of production" to the output of goods and services. To produce, say,. the delivery of a package Federal Express requires labor: Truck drivers, airplane pilots, mail sorters; and physical capital, the associated trucks, airplanes, the "Octopus", which is Fed Ex's mechanical mail sorting machine.

Oddly, it is conventional for economists to include in the capital concept only private plant and equipment and to neglect public capital such as roads, airports and other infrastructure facilities.

In the words of Richard Bartel, editor of Challenge Magazine:

> Investment is the key, as economists know very well, to economic growth and material progress. History records how the creation of physical and human capital drives the wealth of nations.
>
> Yet even some economists tend to think of investment in narrow terms—private spending on business plant and equipment. We often forget about additions to the stock of public infrastructure—spending on roads, bridges, mass transportation, airports, waterways, water supply, waste disposal facilities and other public utilities.

As my particular example should make clear, however, this neglect is unforgivable. For what kind of product would Federal Express have were it not for the streets on which it drives its trucks, or for the airports to and from which it flies its planes? Or, for that matter, what level of profits would Federal Express have without a transportation infrastructure?

So, my basic idea linking infrastructure to the economy is simple. An adequate and well-maintained public stock of infrastructure capital is essential to the profitable and efficient production of private sector goods and services and their distribution throughout the Nation and the world.

Although my choice of Federal Express is admittedly extreme, a moment's reflection should convince you that infrastructure is important to nearly all productive units in the economy.

Consider, for example, the many and varied ways that infrastructure may be important to a clothing producer in a major city. The availability of mass transit brings with it an extensive labor pool, which supplies the firm with cheap labor. The washing and dyeing of fabrics requires a steady source of water and a reliable sewer system.

Good streets and highways as well as airports serve double duty, allowing for just-in-time inventory management as well as for easy shipment of finished product to national and international purchasers. Without public infrastructure, private production would be a difficult, if not impossible, endeavor.

Viewed from this perspective, the trends in public investment shown above are quite disturbing. As the second chart at the end of my testimony shows, while the private sector has been accumulating plant and machinery to more than match the growth in the labor force—the amount of private capital per worker nearly doubled between 1949 and 1987 from $16,000 to $31,200—the public sector capital stock has not been keeping pace with growth in the labor force.

Indeed, after peaking in 1972 at $15,300, the amount of public capital per worker has fallen to $13,500 by 1987. As the third chart shows, this means that the ratio of public to private capital stocks has slid from a high of .59 in 1964 to a low of .43 in 1987; hardly a situation of balanced growth, with the government's infrastructure keeping up with the private sector's capital building.

In a series of published papers listed in the references, I have documented the importance of infrastructure investment to the economy. Among other results, my research indicates that: One, a 1-percent increase in the stock of infrastructure capital, about $10 billion, raises the rate of return to private capital by about 10 basis points, 1/10th of a percentage point. Loosely speaking, if the government had continued to invest in infrastructure during the 1970s and 1980s at the average rate maintained between 1953 to 1970, there would have been much less of a "falling rate of profit" for economists, let alone stockholders, to worry about.

Two, such an increase in public investment spending would have had the net effect of raising the national investment rate by a substantial amount. At first, public investment in plant and machinery would have been depressed due to higher capital goods prices and real—inflation-adjusted—interest rates, but over time, the positive effect of a good infrastructure on corporate profitability would have come to dominate, private investment would have rebounded, and national investment would have climbed.

And, three, as the national investment rate then would have been higher, productivity growth—annual gains in productive efficiency—would have expanded. Investment in new capacity, private and public, makes more capital available to laborers and works to improve labor productivity.

In the words of Martin Feldstein, past chairman of the Council of Economic Advisors, "The evidence is overwhelming that countries with high rates of saving and investment are the ones in which productivity, income and the standard of living rise most rapidly." Indeed, my estimates indicate that of the total fall-off in productivity growth from 1953-1969 to 1970-1986 of 1.4 percent per year, some 57 percent, or 0.8 percent per year, can be attributed to the neglect of our infrastructure.

Just as potholes in the streets would have been hardly felt by motorists had our Nation properly invested in infrastructure, our productivity slump then would have been much less noticeable to the Nation at large.

The next three charts show how higher public investment in our infrastructure would have had these effects on the economy. In all three cases, the solid lines are actual, historical values for the profitability of private capital, for national investment, and for productivity growth in the private business economy.

The dashed lines result from taking my statistical model and simulating the effects of raising annual public investment by 1 percent of the private capital stock. As is readily apparent, the improved infrastructure would have raised profits; it would have, on net, raised national investment; and it would have boosted productivity growth. By implication, it would have dramatically improved our position in the increasingly competitive international marketplace.

While not a panacea for our longer-term economic ills, higher public investment in infrastructure would certainly be good medicine. I respectfully submit that as a country, we should swallow whatever bitter pill—higher taxes, more debt, or whatever—it takes to address this decay in our collective economic health.

Mr. **Lewis**. It is extremely important to try and measure in aggregate, as Dr. Aschauer has demonstrated, the relationship between overall changes in the rate of investment in public infrastructure and the returns to public capital, but at the same time, it is very—I think important to remember that when we make decisions on where to spend money, we do so on the basis of our assessment of individual projects, and whether they appear to offer gains that exceed the costs of implementing the projects.

And the question in this context boils down to are we reaching out when we assess these projects to try and anticipate and understand all the productivity spinoffs they are going to yield for private industry.

Dr. Aschauer is measuring in aggregate, or are we failing to capture those benefits and thus misinforming ourselves about how many of these projects are worthwhile doing? This is one of the points that Dr. Laurits Christensen will touch on, and I will ask Dr. Christensen to take the floor.

Mr. **Christensen**. Thank you, David.

My name is Laurits R. Christensen. I am President of Christensen Associates, an economic research and consulting firm based in Madison, Wisconsin. Formerly, I was Professor of Economics at the University of Wisconsin in Madison. During my professional career, I have specialized in issues related to productivity, including productivity in transportation industries.

Research conducted by myself and others has shown the central role capital formation plays in economic growth. Capital formation has been a major reason for the growth in per capita income in this century. Capital formation also leads to productivity growth through the embodiment of new technologies. Businesses discover new ways of creating products, but these new methods often require new plant and equipment.

It is the installation of this plant and equipment that unleashes the potential of the new technology. Today we are beginning to think how public infrastructure investment, which is a form of capital formation, might also unleash the potential of new technologies.

In order to undertake those infrastructure investment plans that lead to productivity and economic growth, it is wise public policy to articulate economic criteria on which projects can be appraised. Government resources are limited, and the claims on those resources are many.

Projects must be carefully reviewed in order that our Nation can receive the largest "payoff" for our limited resources. Economists refer to obtaining the maximum payoff as maximizing economic welfare.

Every day, businesses in the private sector are faced with the same type of problem: How to maximize the payoff to their limited funds. Businesses use analytical tools, such as rate of return analysis, in determining which projects to undertake.

In the public sector, cost-benefit analysis plays a parallel role. Cost-benefit analysis is designed to be an analytical tool that determines which governmental projects maximize economic welfare, that is, which projects will lead to the greatest payoff. Benefit-cost analysis has been widely used in the transportation sector, as well as other sectors.

When a business uses rate of return analysis to evaluate an investment decision, wrong conclusions can be drawn if the analysis omits some of the potential payoff. For example, if a company fails to see that its market has a potential for tremendous growth, it may decide not to undertake new investments, and ultimately lose market share to its competitors. By failing to incorporate market growth into its rate of return analysis, the company has failed to maximize its payoff.

Likewise, cost-benefit analysis will not lead to welfare maximizing investment decisions if the tools used do not incorporate the full range of impacts resulting from the investment. Research that we are presently undertaking suggests that conventionally applied cost-benefit analysis does not incorporate the full range of impacts. Today, I will relate to you some of our preliminary findings.

Public infrastructure affects many sectors of the U.S. economy. As these sectors grow and evolve, their public infrastructure needs change. Some of these processes are so complex that the conventional tools of cost-benefit analysis miss them.

For example, many manufacturing industries have turned to just-in-time inventory management. Inventories of parts and finished goods are held to minimum levels, with deliveries tightly timed. Because just-in-time inventory management reduces costs, it improves the productivity of the private sector.

In order to succeed, however, just-in-time inventory management needs a reliable transportation infrastructure. Delays in deliveries due to traffic congestion seriously undermine just-in-time inventory management. Conventional cost-benefit analysis has not yet incorporated measures of the payoffs associated with increased reliability.

Consequently, the potential exists for conventional cost-benefit analysis to discourage construction of new limited-access highways when the payoff resulting from additional transportation reliability would make such construction desirable.

The benefits of increased transportation reliability may come not only from the construction of new limited access highways, but also the construction and maintenance of bridges, highways and airports. New technologies, such as transportation communications systems, may also be useful in increasing transportation reliability and improving our productivity.

Just-in-time inventory management is not the only innovation that increases the payoff from infrastructure investment. If transportation infrastructure improvements allow firms to transport their products more quickly and more reliably, the firms can cut costs by reducing their number of distribution points. Such strategic changes in business operations are not captured by conventional cost-benefit analysis.

At this point, I should point out that not all innovations taking place in the economy will necessarily increase the payoff from infrastructure investment. While it is too early to tell the full impact, the innovations taking place in the telecommunications field may serve to reduce the payoff from infrastructure investment.

Transmission of information over the telecommunications network may to some extent replace the movement of goods and people over the transportation network. These developments will have to be evaluated along with those developments that increase the need for infrastructure.

Conventional cost-benefit analysis can also fail to systematically consider the interrelationships of different infrastructure projects. For example, a harbor improvement project and the construction of a limited access highway spur linking it may have a large payoff, if jointly undertaken.

However, neither project, undertaken in isolation, would have a positive payoff. If conventional cost-benefit analysis does not recognize this interrelationship, it will fail to draw the correct conclusion regarding their joint construction.

The lesson to be learned is not to abandon cost-benefit analysis, but to improve it. The tools of cost-benefit analysis must be refined to keep abreast of the changing nature of the U.S. economy. Research into the relationship between public capital formation and productivity growth is central to the refinement of our benefit-cost tools.

At the same time, open lines of communication between transportation planners and industrial users of public infrastructure is vital. The private sector has much to tell us about the potential uses of infrastructure. Through our greater understanding of these issues, we will be able to maximize the payoffs from our public investments and assure our Nation of continued economic growth.

Mr. Lewis. I think I would just summarize very, very briefly by emphasizing the twin points regarding the relationship between overall infrastructure investment and productivity on the one hand; the problem, we look at individuals on the other, by saying if we radically increase the public infrastructure budget over the next few years, which I think this panel uniformly believes we should, we also have to recognize the way we spend those dollars.

The decisions, project by project, will continue to hinge on project-by-project assessments, rate of return, cost-benefit type assessments. If, in making those assessments, we fail, as Dr. Christensen is pointing out, we fail to expose and identify the full range of productivity benefits, we might not be able to justify the expenditure of the fully increased budget, much as we have seen a similar problem in the use of capital dollars in the Airport and Airways Trust Fund.

So, I think we have a very practical problem to deal with here.

With that, I think I will end our formal presentation.

Mr. Borski [presiding]. Thank you very much.

I would like to ask one question to start with, if I may. Do you have any suggestions on how we could increase spending for public infrastructure?

Mr. Lewis. I don't know whether to field that one or take it on myself. I think the important point here is to concern ourselves less with the sources of finance, and initially with whether an investment would have substantial payoffs.

Most of us, if we see an investment on the street, we think it is a good deal, we will scramble and find the money somewhere, and that is the central point. Today, large increases in infrastructure investment, if properly channeled, will yield very large returns.

Sources of finance, I think, will come easily, relatively more easily than we might believe from user charges, form user financing, if we do a good job in convincing the public that the projects do and will yield important returns to society, to people as communities and as individuals.

And I think by involving individuals in the very planning process, both at the Federal level and in—at the project level of the State and local level, people can be convinced.

In our own work, what we do—when we go out to do cost-benefit studies of new runways and so on, we try to involve large groups of members of the general public in different—with different points of view about whether growth is a good thing or bad thing.

We try to involve them in establishing the very forecasting assumptions and technical functions as we go along. And they help us to put them in the oven and take them out of the oven.

We usually demonstrate that the payoff of infrastructure is largely worthwhile in social and economic terms to the community.

We tend to build consensus for growth. That brings forth a willingness to finance projects through the user financing, user fee mechanism.

So, I think a large proportion of the finance will come from that, and should come from those sources, if indeed we can convince the public, as we believe infrastructure to be a socially very worthwhile investment.

Mr. **Hara**. I wonder if I could respond by really responding to a question posed to previous speakers? One was how can we promote a better understanding for the need for public infrastructure investment?

This business about the blind spot of cost-benefit analysis on the one hand seems quite technical, but in reality, what we are speaking to is a blind spot that exists generally, and the same consultation and information-sharing process we are suggesting with the private sector to identify those technologies that are being held back, these missing technologies will bring the public and private sector joint awareness into the public forum of what is being missed.

It is very easy because of the current structure of infrastructure to focus on the bottlenecks. As economists, it is that consultation that will build constituencies and therefore, the political will for funding.

Mr. **Aschauer**. I would like to stress, if I could, that we need to take a long-range view on the economy and consequently on tax revenue. I have not generated the numbers, but a logical implication of the significant impacts I am getting for economic activity, would be similar impacts on tax revenue growth, and would say to a large extent such public investments in critical areas would be largely self-financing.

This is true regardless of whether or not they are being financed as we go along through user charges, but through the generation of expanded activity and expanded tax base and revenues therefrom.

I don't have those numbers, but they can be generated.

Mr. **Borski**. I guess I don't want to belabor this point. My question is further, we have a user fee now for the highway, for gasoline taxes. Many of us—or most of us believe that money is being misused or not used for infrastructure needs, but is in fact being used for the general funds.

I don't know how we could ask for higher gasoline taxes, for instance, when we can't guarantee the users, the people who are paying that tax will ultimately gain the benefit.

Mr. **Christensen**. Perhaps there is the opportunity to tie those two things together. As you know, energy taxes in general, and gasoline taxes, are particularly far lower than practically any country in the world.

There is ample opportunity, but as I say, I think part of raising taxes, raising revenues from that source, there should be—should be provision made to see they are spent where the public believes they should be spent, rather than diverted to other uses.

Mr. **Aschauer**. In regard to the gasoline tax, I would like to make two additional points: One, not only is the gasoline tax low in the United States relative to foreign countries, but we have seen a reduction in the real value of the gasoline tax over the last 20 years. It is substantially below what it was in 1960.

The second point is we have to recognize, in essence, we are talking about two taxes. We are not just talking about one tax or raising one tax, but we are talking about balancing off two taxes. One tax, the tax on gasoline; another tax, the congestion tax, if you will.

There are private factors of production that aren't being fully utilized. That is causing a drag on productivity and having the same effect on market activity, such as any distortional tax, such as a gasoline tax.

A particularly bad aspect about the gasoline tax, however, is it doesn't generate any revenue. So, I certainly believe we are past the point of equalizing the tax burden in terms of the congestion tax and gasoline tax, and it would be appropriate policy now to raise the gasoline tax.

Mr. BORSKI. My fear, and I can expect many of my colleagues' fear here, is the gasoline tax may be raised for other general fund purposes. Do you have a comment on that?

Mr. ASCHAUER. I would certainly emphasize it should be used to finance transportation investments. I am not enamored by the idea it go solely to highways. Maybe mass transit.

Mr. LEWIS. I think that has to come first is a demonstration of the fact that the projects to which these funds would and ought to be devoted, whether they be highway projects or airport projects, or other transportation projects, are likely to yield extremely important gains of socially—socially and economically, gains that are not being identified and advertised very well at all today.

And I think the skimming of funds for general fund purposes, the risk of that could be minimized with—through the development of solid constituencies in favor of investments built upon a hard-nosed, very practical demonstration of the kind of benefits that would be forthcoming.

I would only add one point. A witness earlier this morning talked about building upon our environmental and our educational infrastructure as well. The education infrastructure is the involvement of the business community and the general public, those outside the transportation decision-making and planning community, in the decision-making process. It is so much easier to see the practicalities, the gains from these projects which are involved in their analysis, and there are ways and means of promoting that involvement today.

Secondly, on the environmental side, there are sharp conflicts. When we go out to and analyze the merit of adding new runways to highly congested airports, time and time again, we run into very sharp and articulate and effective opposition from environmental groups.

These groups need to be brought into the analytical process as well, in order to demonstrate that they gain as well as lose from these investments.

And, finally, when the business community is exposed to the very large gains it is likely to reap from infrastructure investment, they begin to, I think, recognize an incentive on their part to help compensate those who lose.

We did some work for an airline in the Midwest on the question of whether it was worthwhile to the airline to pay more landing fees in order to finance the construction of a new runway.

What we demonstrated to the airline was the profits in the first three or four years of new runway operation, profits to them in the form of fuel savings generally, but also labor savings, was so vast, in this case in excess of $1 billion over the first five years of the investment.

In looking at the noise cost to those householders that were likely to bear some property depreciation as a result of the new noise, was approximately in the range of $40 to $60 million. That is compared to $1 billion in new profit. The airline says, why shouldn't we be involved in helping to compensate those individuals, because in that way, we can overcome a barrier to reaping these very large economic gains, to us as a business, which in turn translates—this is the public policy point—to very important gains to the economy.

I think people have to be brought into this analyzing process in order to recognize the potential from infrastructure and to build the consensuses needed to find a way ahead to overcome obstacles.

Mr. BORSKI. I want to ask one other question along this line, if I may, and that is, obviously, we can't consider the infrastructure in a vacuum. There is a whole economic problem here today in trying to resolve our budget deficit and budget problems.

How can we increase awareness and increase spending if that is what it takes in infrastructure, when we are facing this other dynamic of trying to reduce the budget deficit to hit the Gramm-Rudman targets?

Mr. ASCHAUER. Again, I would stress, we have to take a long-term view on these issues, and we respond yearly to particular deficit needs in terms of reducing expenditures to the detriment of long-term productivity growth. Five years, 10 years, 15 years down the line, we are going to be in a much worse situation.

There has been some interest by economists, but also by certain legislators in using the Social Security Trust Funds in order to directly finance infrastructure expenditures. I would think that would be something we should be looking to, in addition to gasoline taxes.

The crucial point in regards to Social Security, is that what is really important for the ultimate viability of the Social Security System is a strong economy in 20, 30 years, when the baby boomers begin to retire. The mere accumulation of paper certificates is not going to provide the consumption opportunities both to the retirees and to the work force at that time.

We need to have a strong economy at that time in order to finance that consumption. One way we could do that is by utilizing the Social Security funds.

Mr. LEWIS. As you may know, there are certain economists who believe the deficit as currently accounted for is somewhat misleading, because capital is treated as an annual expense, rather than as a capital expense.

Professor Eisner of Northwestern has shown, using his certain analytic assumptions, that if you move the capital count into a separate account, that the deficit doesn't look as large as it would otherwise appear.

I think the point here is that capital spending, which may have to be deficit or deficit-financed, yields returns, whereas current account spending does not. I think this is a similar point to that of David Aschauer. Again, that is an educational process.

Perhaps accounting process, if not changing the structure of the federal budget, at least allowing through special analyses for the effects of capital on the deficit in the context of infrastructure spending.

And, finally, perhaps ultimately moving certain types of capital expenditure off-budget gain, which would be consistent with the use of Social Security Trust Funds for infrastructure investment.

Mr. BORSKI. Mr. Christensen, I see you wanting to comment.

Mr. CHRISTENSEN. I wanted to underscore these points, and say I don't see there is any logical inconsistency between reducing the budget deficit and simultaneously making productive investments in our infrastructure, and I think those are twin goals that this committee, in particular, could make a contribution towards pursuing simultaneously.

If the returns that have been estimated by colleagues here, and others, for infrastructure investments are anywhere near being on mark, the returns from these additional investments could well serve to reduce the deficit, rather than to increase it.

And, finally, given this possibility that there is going to be an increase in fuels taxation in any case, certainly there could be simultaneously some of those funds used to reduce the deficit, some of the funds used to increase public infrastructure investment; and I think, given that, as economists have pointed out for a long time, consumption taxes tend to have—be more favorable for economic growth than other kinds of taxes.

Having a gasoline increase that would serve those dual purposes has a lot to recommend it.

Mr. BORSKI. Dr. Aschauer, would you—I take it, Dr. Christensen, some of the money from increased gasoline tax could be used for deficit reduction, perhaps. Would you agree with that, or do you think we need to keep it all for infrastructure?

Mr. ASCHAUER. My belief is political equilibrium will be such that if a gasoline increase is enacted, a substantial part of that will have to be for the purpose of deficit reduction.

At the same time, it is my personal view these taxes which are being generated for the purpose of increased transportation investment should be used for that purpose.

Mr. BORSKI. Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. I have one question here.

What factors should we consider in drafting a national infrastructure program that would aid in promoting economic growth, productivity and competitiveness? Take your pick, any one of you.

Mr. LEWIS. I guess we can just go down the line. I would start by reiterating points made already. I think one factor, one critical factor is the need to recognize in a practical way the huge private gains in productivity that public infrastructure investments, improvements to limited highway networks, airports and so on, networks improvements generally can unlock.

Network improvements are typically assessed in terms of their benefits in the form of time savings, but we—and reductions in delay. And indeed, reductions in delay can be enormous. Two airports I have just worked with recently, adding a runway in each would save passengers at each airport an equivalent of $4 billion in fuel cost and delays, but we also have to understand that these investments permit industry to change production technologies, to adopt modern logistics, to adopt just-in-time inventory delivery systems, or to use those systems more effectively, and these benefits are very large in relation to the traditional gains we attribute to infrastructure investment.

I think if that one factor is recognized alone, the amount—the volume of funds we commit to infrastructure programs over the next 20 years would increase by 50 to 100 percent. I think to ensure those gains, or the importance of those gains are recognized, important improvements in the way we look at projects, the way we interact with industry in order to understand the kind of productivity gains that infrastructure improvements do unleash, is terribly important.

David?

Mr. **Aschauer**. I think that in terms of a plan, that it requires really three components if we are talking about linking infrastructure to productivity. First of all, it has to involve transportation, that is the leading edge of the linkage between infrastructure and productivity. We had a variety of examples in terms of just-in-time inventory arrangement, where tremendous productivity gains are feasible if adequate transportation is being made.

Second, in terms of the overall plan in terms of hard dollar outlays, we should be focusing on rehabilitating and expanding the existing stock of transportation capital, particularly in highly-congested urban areas.

Even the Congressional Budget Office, which tends to be less pessimistic about infrastructure needs than other organizations, indicates benefits and rates of return to public investments in the 40 percent range in highly-congested urban areas.

Third, before we jump into large-scale investments in other transportation facilities or other infrastructure facilities, I think we really need to sit down and research, have an intensive period of research here to be able to adapt infrastructure provision to the changing needs of the economy. In particular, we need to adapt to the demographic changes that are going to be seen over the next 20 to 30 years.

The aging of the baby boomers will have a positive impact as the workers in the labor force will be becoming more experienced. As a negative impact, we will have slower labor force growth, which is to say productivity has to be emphasized even more to get increases in output.

Another future shift that we need to be taking into consideration is the gradual long-term shift away from manufacturing and into services. It will continue even if infrastructure investment is made to try to offset the shift. The key here is a long-term tendency in the economy away from the need for movement of goods and toward the need for movement of information.

That would suggest to me, we should be studying investments in communication networks, telecommunications, in air transport, high-speed rail that was mentioned a couple of times today, as well as in revitalizing some of our sea transport facilities.

To summarize it, it is clearly transportation in terms of our overall infrastructure investments which is of most importance to our productivity. I find that in my work. I would say we also have to make sure the types of investments we are making over the next 10 to 15 years in transportation will be able to meet these changing needs.

The CHAIRMAN. How much of the recent productivity slowdown can be explained by inadequate public works infrastructure investment?

Mr. ASCHAUER. My empirical results indicate that of the total fall-off in productivity growth of 1.4 percent per year, that roughly 60 percent of that, or .8 percent per year, can be attributed to our low investment in infrastructure, and in particular, transportation infrastructure. I want to be careful about this.

You phrase the question, how much of our productivity slump can be attributed to the fall-off in public investment. That is my answer to that question.

A related question, which is very important, is how much of the productivity slowdown is to be attributed to the fall-off in public investment? I want to emphasize I am convinced, based on all of my results, that there is a true causal relationship moving from public investment to productivity to profitability to net investment and private plant and equipment, but there is controversy about that in the academic literature, so that the exact magnitude of the effect may be somewhat smaller than that 60-percent figure I gave.

The CHAIRMAN. Can greater levels of public works infrastructure investment explain the higher rates of productivity growth enjoyed by other industrialized nations, such as Japan and West Germany? I think you touched on that a little bit once there.

Mr. LEWIS. We think that it probably can, but I would like to look at the more general question, and that is, whether higher rates of capital formation generally in other nations explain or can be seen to explain the higher rates of productivity relative to rates of growth and productivity in the U.S., and the work of a number of practicing analysts, economists, demonstrate that the answer to that is yes.

While the U.S. still appears to enjoy in an absolute sense the highest level of labor productivity among the industrialized nations, our rate of growth in productivity lags substantially behind that of West Germany, Japan and the nations of Europe.

And there appears to be a strong indication that the higher rate of growth in productivity is directly linked to a higher rate of growth in investment, private and public, generally in those nations, a phenomenon that might well be linked to the high level of savings in those nations that makes more dollars at lower interest rates for capital formation.

Within that overall framework and the work Dr. Aschauer and others seem to suggest, that public capital investment is important, just as is private capital formation in that overall process. So, I think the answer to your question is generally a resounding yes, and that the—not just public works infrastructure investment, but for capital formation generally.

Mr. **Aschauer**. I would want to say that in one of the papers which is listed in the references to my testimony, I did look in some detail at the data for the Group of Seven highly industrialized economies. What is clear there, is that across those seven countries, across the time period 1965 to 1985, public investment in non-military capital has a large role to play in explaining the productivity differences across those countries, just as does private investment.

I would want to go further and say we are talking about competitiveness. We can think about a whole list of items that are good indicators of our competitive position in the world economy.

To me, the one indicator which is most attractive is export performance. If we look at the export performance of the United States versus Japan and West Germany, we see exports have been growing much faster in Japan and West Germany. We see a diminishing total share of exports coming from the United States.

We ask, what is of extreme importance for export performance? As it turns out, there is a very strong statistical relationship between investment, both public and private, productivity, and export performance.

Countries that are doing well along productivity lines are going to be countries capturing a larger share of the international market. Step that back one step further, and I find strong evidence that suggests that public investment is important for productivity, both directly as it helps move private resources at a quicker pace, but also indirectly in that it influences the profitability of private investment. Specifically, it encourages more private investment, which in turn impacts positively on productivity. I see that there is certainly interesting, and to me fairly persuasive, evidence looking across countries that our low rate of public investment has been a contributor to our lack of competitiveness and export performance.

Mr. **Lewis**. There has been a presumption over the last 10 years, and I have been a party to its—to the development of this presumption, that America's infrastructure is largely in place, and the priority now should be on looking after it. And indeed, there has been a major shift in federal budgetary allocations from new construction, additions to the highway network, to the aviation network, and into the maintenance and repair of what we have.

But more recent work suggests perhaps that presumption is somewhat misplaced. As important as it is to take care of what we have, that what industry, what business, and what services are thirsting for in terms of enhancing their own productive capabilities is, in fact, additions to the networks, making the interstate system more extensive, the airport system and air traffic control system more extensive, because it is network improvements rather than just repair to existing networks that provide firms with the facility and ability to adopt more modern and innovative inventory, so-called just-in-time delivery techniques to reduce number of depots to service given amounts of territory.

In the food distribution operation, for example, it is network improvements that facilitate those kinds of productivity gains.

And yet, in the allocation of dollars between extensions to the basic infrastructure network versus repair and reservicing of what we have tended to shift away. Our basic philosophy is, what we have is what we need, yet we seem to be on the crest of a new wave of industrial logistics and production processes where reliability, predictability of transportation is very important, and those factors are very much a factor of not only pay for services that are in good repair, but of extensions to the network in order to improve the reliability and predictability and use of those networks.

I think we have to look at our basic philosophy as we restructure the infrastructure programs for the next 25 or 30 years.

Mr. **Hara**. If I could add, in answering that question, I wouldn't want to lose track of the obvious, all these individual studies, such as the one Dr. Aschauer cited, all those slide studies are direct evidence of where productivity can be enhanced. The time and fuel savings of those individual investments come out in more productivity and would go to close the gap in productivity growth.

There are many individual studies showing those high rates of return.

The **Chairman**. My last question is one that you almost answered each time you said something about it. I am going to do it anyway.

What is known of the role that infrastructure can play in promoting economic growth and competitiveness?

Mr. **Lewis**. What we know, I guess I would want to describe on two levels. There are certain things we know with a great deal of certainty. We know, for example, that reducing congestion and delay, which is a chronic problem in the highway and aviation and waterway systems of our country, reducing congestion and delay brings enormous gains to industry, to users and to non-users, because gains to industry help reduce costs and prices, which filters through to the price and goods and services on the shelves of our shops and supermarkets and so on.

What we don't tend to do a real good job in is advertising the size of those gains. We as practicing economists have been surprised in the last two or three years. We have looked at two or three airports to assess the economy gains. We kept checking our sums over and over again, because we found by adding a new runway at Minneapolis-St. Paul, the benefits alone exceed $4 million just in terms of time savings to business travelers and fuel savings to airlines.

We checked that over and over again. We also looked at Vancouver, British Columbia. There again, just over $4 billion dollars against the cost of constructing a new runway of about $100 million.

So, the returns are not just large in relation to their cost, they are massive. That is a micro-example of the kind of returns that David Aschauer is measuring in the aggregate. I don't think we—I think we know the role infrastructure can play in that sense.

I don't think we are doing a good job of telling other people what we know.

At another level, and this is where we are only beginning to scratch the surface of what we know, the impact, not so much the first round of impact, what is the value of these time savings and reductions in delay in terms of fuel and airline tickets and so on, but what gains will these improvements yield to industry, because they can adopt more productive techniques, because they can go to a just-in-time inventory, because they can reduce the number of distribution depots from 10 to 7, because of a series of network improvements in the urban area where they reside.

You get seven depots doing the work of 10. You are holding newer inventories, your stocking points have gone down and inventories have gone down. Inventory costs are a huge component of the cost of a loaf of bread on the shelf.

We haven't done a good job of identifying the value of those gains. When we add them to what we already know to be massive gains, they are going to be that much larger a gain, and I think the onus of us all is to get out of the ivory tower and make the phenomenal size of these gains apparent.

As a very brief footnote, we went through an interesting exercise in Vancouver, where we tried to quantify the value of the noise cost the community would bear. They were huge, $60 million. But in relation to the benefits of $4 billion, they were absolutely minute.

And it triggered the community. And the same has been true in Minneapolis, saying we can't ignore gains of $4 billion, nor can we ignore those who lose, what we are going to do about it? How can we bridge this problem and get on with economic development?

I think getting into the community is everything at this point, with what we know.

Mr. **Aschauer**. I would like to underscore the fact that at least in certain areas, returns from additional public investments are as David says, huge or enormous. I would also like to reflect momentarily on the reason—or one of the reasons—that economists have done a poor job in conveying the importance of public investment to the populace and the politicians for productivity, for long-term profitability, and for investment. I think that is because of the traditional way macro-economists view the operation of the economy, particularly the effects of the fiscal policy on the economy, which is a demand-side orientation. Here a dollar of spending is a dollar of spending, and it really doesn't matter what the government is spending on.

The crucial aspect of any analysis is that the focus of the effects of fiscal policy on the economy is being shifted to the supply side or the productive side of the economy, where intuitively it should make good sense what we spend on, is extremely important for behavior of productivity.

Mr. **Borski**. The question I asked of Dr. Aschauer, in your testimony, you suggested we should do whatever is necessary to increase spending on infrastructure, including higher taxes. Do you have a figure in mind?

Mr. **Aschauer**. For taxes?

Mr. **Borski**. For taxes, or how much should be spent?

Mr. **Aschauer**. I think the rule of thumb which has been bandied about—namely, the National Council on Public Works Improvement is advice for increased funding—to double the level of infrastructure expenditures, is an appropriate rule of thumb. That is, we are talking about $50 billion, to my recollection. That would then require a substantial increase in revenues if we are not going to be utilizing the Social Security Trust Funds for the purpose.

A general rule of thumb on the gas tax is that a penny increase in the gas tax would generate a billion-dollar increase in revenue. I would not like to see a 50-cent increase in the gas tax. I would like to see an increase in the gas tax of perhaps 20 cents.

Mr. **Borski**. Okay. I guess I repeated an earlier question. If we were going to increase gasoline tax by 20 cents, you would feel we should spend that all on transportation?

Mr. **Aschauer**. That is the point. I would say $20 billion of that additional $50 billion would be best spent on transportation facilities, and the gas tax would be used more or less for that purpose alone.

Mr. **Borski**. Thank you.

The **Chairman**. Some of our minority members weren't able to make it, and I am told probably within a week they will be giving us some questions, so we will probably be directing some additional questions to you that will be included in the record sometime within the coming week.

I want to thank the panel for their testimony and for making complex issues more understandable.

This has been a good and productive hearing, and I want to thank you very much for your part in it.

The next issue, we won't talk about it today, but we will be looking at how we will be financing our infrastructure.

I want to thank all the witnesses, and I want to thank particularly this panel, and the meeting is adjourned.

[Whereupon, at 2:10 p.m., the committee was adjourned.]

[Mr. Lewis' and Mr. Hara's statement appears on page 414.]

[Mr. Aschauer's statement appears on p. 385.]

New Add (1992)

PREPARED STATEMENTS OF WITNESSES

"Infrastructure and America's Economic Future"
Committee on Public Works and Transportation
U.S. House of Representatives
June 13, 1990

Good Morning. My name is David Alan Aschauer, and my position is as Senior Economist with the Federal Reserve Bank of Chicago.

As is well known, according to a number of indicators the United States economy has not performed as well in recent years as in the so-called "golden-age" of the 1950's and 1960's.

For instance, we have seen a continuing slump in th growth rate of economic productivity, measured either conventionally as output per labor hour--labor productivity--or alternatively as output per unit of combined private labor and private capital services--so called total factor or multifactor productivity. Beginning sometime in the early 1970's--the EXACT ~~specific~~ point in time is quite unclear--productivity growth fell off by some 1.4 percent per year; in the case of labor productivity, from 2.8 percent to [redacted] 1.4 percent. This is clearly an important development, for what it means is that rather than output per hour doubling every 26 years, if the present trend continues we can expect productivity to double only once every 51 years. This, in turn, implies that our future consumption opportunities, on a per capita basis, will rise much more slowly as well, impacting on a wide variety of issues such as the viability of our national social insurance programs as well as our national MILITARY security.

Also, not only has productivity growth fallen over time in the United States, but our productivity growth has been low for the past three decades relative to our major competitors. For example, from 1965 to 1985, Japan has achieved a labor productivity growth rate in excess of 3 percent per year, and West Germany well in excess of 2 percent per year. One reflection of our low productivity growth, when coupled with persistently high consumption growth, is the yawning current account deficit and the switch, during the 1980's, from our position as the world's largest creditor to the world's largest debtor NATION.

A second dimension of poor economic performance, one which is related to low productivity growth, is a low profit rate on private capital structures and equipment. The profit rate has been depressed during the 1970's and 1980's by a considerable amount from its level in the 1950's and 1960's--to about 8 percent from about 11 percent in the golden age.

A third indicator of apparently inferior economic performance, one which is closely linked to the fall-off in the profit rate, is a low rate of private net investment in new plant and machinery. The growth rate of the private capital stock has been about 3 percent per year in recent years, down from about 4 percent in the 1950's and 1960's.

Of course, there is much controversy about the validity of these facts as well as about their appropriate interpretation. For instance, there are some, like Michael Darby, who argue that there has been no true productivity slowdown; instead, what we have chosen to see in that regard is "a case of statistical myopia." Others, such as Martin Feldstein and Lawrence Summers, would argue that there is really no long-term downtrend in the corporate profit rate. And there is much controversy about whether investment really has been depressed during the 1980's--individuals like Paul Craig Roberts choose to emphasize gross, as opposed to net, investment rates and gross investment has been relatively stable during recent years. Finally, it is necessary to be careful about interpreting movements in productivity, in profit rates, and in investment--or, for that matter, other variables such as the current account deficit--as indicators of economic malaise. The appropriate, or optimal, rates of national savings, investment, and productivity growth are inherently unobservable and may well be changing over time.

Yet I think it is clear that the economy has not been doing well in recent decades and that the typical person on the street is [redacted] concerned about it.
rightly

Today I would like to discuss my recent research regarding a potential link between public infrastructure expenditure and the overall performance of the economy. Specifically, I will discuss the statistical information I have accumulated indicating that:

1) there is a robust, positive linkage between public capital--particularly infrastructure capital--and private sector productivity;

2) there exists a positive linkage between public nonmilitary capital and the profit rate on private nonfinancial corporate capital; and

3) there is a long-run positive relationship between public nonmilitary investment spending and business investment.

While I hope to be convincing, I also hope to convey a degree of restraint as well. At minimum, my results are based on past relationships and we must be cautious in using such results in any attempt to forecast the future importance of public investment to the performance of the domestic economy.
Traditional

[redacted]

As everyone here is no doubt well aware, public expenditure on nonmilitary capital goods--infrastructure investment in facilities such as roads, bridges, dams, mass transit, and the like--has fallen rather dramatically in the past two decades, [redacted] As the first chart shows, nonmilitary public investment rose as a percentage of gross national product throughout the 1950's and 1960's, peaking at nearly 4 percent in the latter half of the 1960's. After that time, however, such capital spending tumbled as a percent of GNP until the early 1980's, reaching a low at that time of 2 percent. By 1987, public investment had rebounded to some degree--2.2 percent--but was still well below the levels attained in the 1960's. A similar pattern exists for what I have elsewhere termed a "core infrastructure" composed of items which may be thought to have a direct and more or less immediate impact on the country's productive capacity (highways, mass transit, airports, water and sewer systems, and electrical and gas facilities); specifically, a general increase until the mid-1960's, a fall off until early 1980's, and a slight improvement since that time. Finally, even if we take out the two largest components of nonmilitary public investment--in highways and educational buildings--the same overall trend is apparent. I ask: how might these trends in public spending be affecting the economy?

[redacted]

In its simplest terms, basic production theory links primary "factors of production" to the output of goods and services. To produce, say, the delivery of a package Federal Express requires labor--truck drivers, airplane pilots, mail sorters--and physical capital--the associated trucks, airplanes, the "Octopus" (this is Fed Ex's mechanical mail sorting machine). Oddly, it is conventional for economists to include in the capital concept only private plant and equipment and to neglect public capital such as roads, airports and other infrastructure facilities. As my particular example should make clear, however, this neglect is unforgivable. For what kind of product would Federal Express have were it not for the streets on which it drives its trucks, or for the airports to and from which it flies its planes? Or, for that matter, what level of profits would Federal Express have without a transportation infrastructure?

So, my basic idea linking infrastructure to the economy is simple. An adequate and well maintained public stock of infrastructure capital is essential to the profitable and efficient production of private sector goods and services and their distribution throughout the nation and the world. Although my choice of Federal Express is admittedly extreme, a moment's reflection should convince you that infrastructure is important to nearly all productive units in the economy. Consider, for example, the many and varied ways that infrastructure may be important to a clothing producer in a major city. The availability of mass transit brings with it an extensive labor pool, which supplies the firm with cheap labor. The washing and dyeing of fabrics requires a steady source of water and a reliable sewer system. Good streets and highways as well as airports serve double-duty, allowing for just-in-time inventory management as well as for easy shipment of finished product to national and international purchasers. Without public infrastructure, private production would be a difficult--if not impossible--endeavor.

Viewed from this perspective, the trends in public investment shown above are quite disturbing. As the second chart shows, while the private sector has been accumulating plant and machinery to more than match the growth in the labor force--the amount of private capital per worker nearly doubled between 1949 and 1987 from $16,000 to $31,200--the public sector capital stock has not been keeping pace with growth in the labor force. Indeed, after peaking in 1972 at $15,300, the amount of public capital per worker has fallen to $13,500 by 1987. As the third chart shows, this means that the ratio of public to private capital stocks has slid from a high of .59 in 1964 to a low of .43 in 1987; hardly a situation of balanced growth, with the government's infrastructure keeping up with the private sector's capital building.

In a series of published papers listed in the references, I have documented the importance of infrastructure investment to the economy. Among other results, my research indicates that:

1) a 1 percent increase in the stock of infrastructure about $10 billion capital raises the rate of return to private capital by about 10 basis points (1/10th of a percentage point). Loosely speaking, if the government had continued to invest in infrastructure during the 1970's and 1980's at the average rate maintained between 1953 to 1970, there would have been much less of a "falling rate of profit" for economists--let alone stockholders--to worry about;

2) such an increase in public investment spending would have had the net effect of raising the national investment rate by a substantial amount. At first, private investment in plant and machinery would have been depressed due to higher capital goods prices and real (inflation-adjusted) interest rates, but over time the positive effect of a good infrastructure on corporate profitability would have come to dominate, private investment would have rebounded, and national investment would have climbed; and

3) as the national investment rate then would have been higher, productivity growth--annual gains in productive efficiency--would have expanded. Investment in new capacity--private and public--makes more capital available to laborers and works to improve labor productivity. In the words of Martin Feldstein, past chairman of the Council of Economic Advisors, "the evidence is overwhelming that countries with high rates of saving and investment are the ones in which productivity, income, and the standard of living rise most rapidly." Indeed, my estimates indicate that of the total fall-off in productivity growth from 1953-69 to 1970-86 of 1.4 percent per year (1953-69 = 2.8 percent and 1970-87 = 1.4 percent) some 57 percent-- or 0.8 percent per year--can be attributed to the neglect of our infrastructure. Just as potholes in the streets would have been hardly felt by motorists had our nation properly invested in infrastructure, our productivity slump then would have been much less noticeable to the nation at large.

The next three charts show how higher public investment in our infrastructure would have had these effects on the economy. In all three cases, the solid lines are actual, historical values for the profitability of private capital, for national investment, and for productivity growth in the private business economy. The dashed lines result from taking my statistical model and simulating the effects of raising annual public investment by 1 percent of the private capital stock. As is readily apparent, the improved infrastructure would have raised profits; it would have, on net, raised national investment; and it would have boosted productivity growth. By implication, it would have dramatically improved our position in the increasingly competitive international marketplace.

While not a panacea for our longer term economic ills, higher public investment in infrastructure would certainly be good medicine. I respectfully submit that as a country we should swallow whatever bitter pill--higher taxes, more debt, or whatever--it takes to address this decay in our collective economic health.

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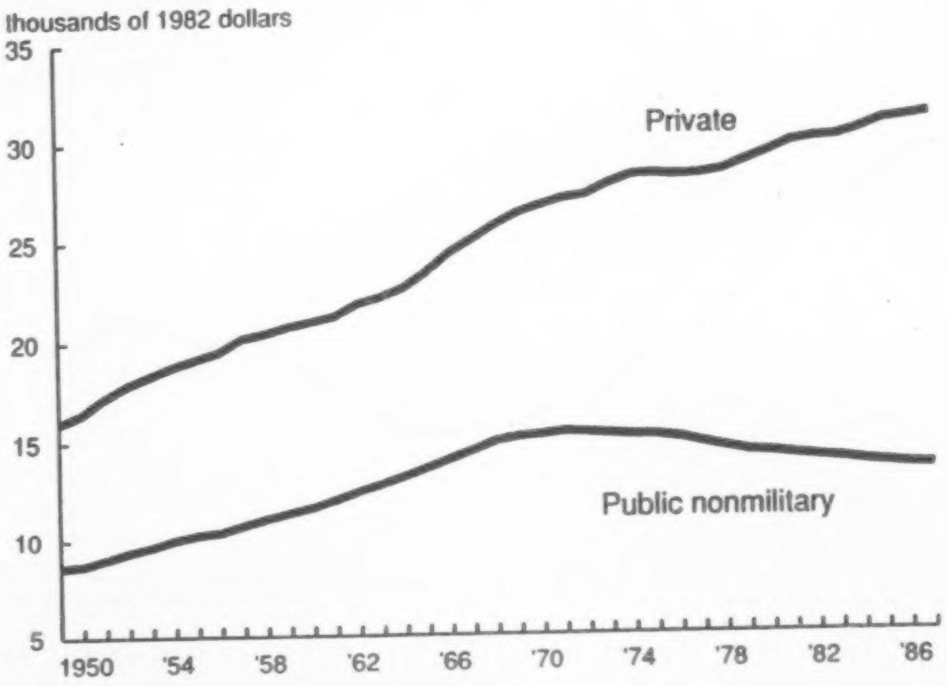
Trends in public investment relative to GNP

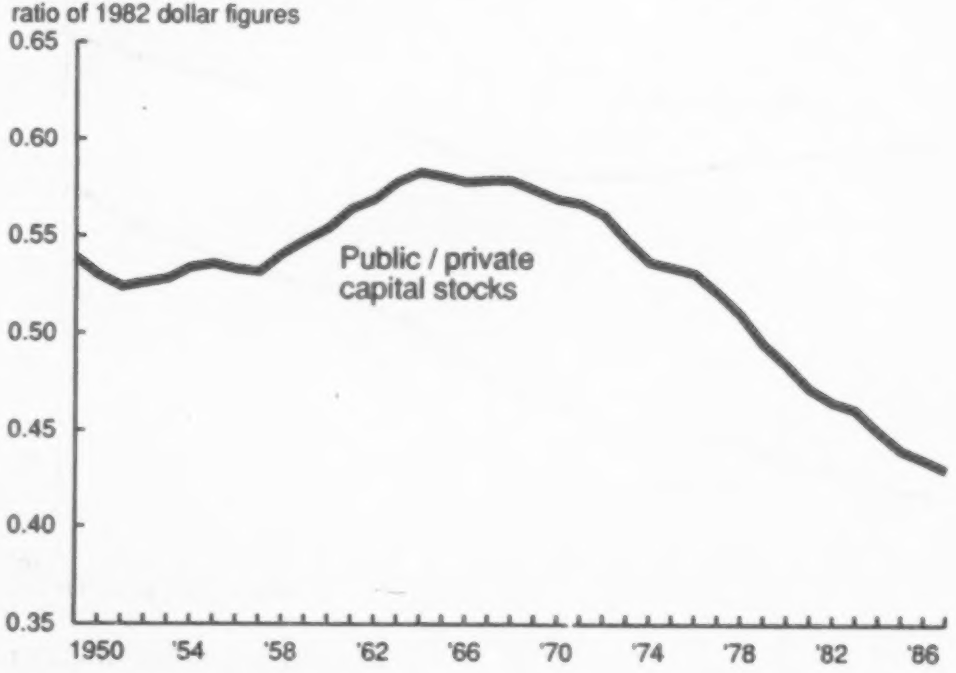
	Total	Nonmilitary	Core infrastructure	Nonmilitary minus education and highways
1950-55	5.8	3.4	1.3	1.9
1956-60	5.3	3.5	1.8	1.6
1961-65	5.4	3.9	2.0	1.9
1966-70	4.9	3.9	1.8	1.9
1971-75	3.9	3.0	1.4	1.6
1976-80	3.4	2.4	1.1	1.5
1981-85	3.4	2.0	0.9	1.3
1986-87	3.9	2.2	1.0	1.5

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

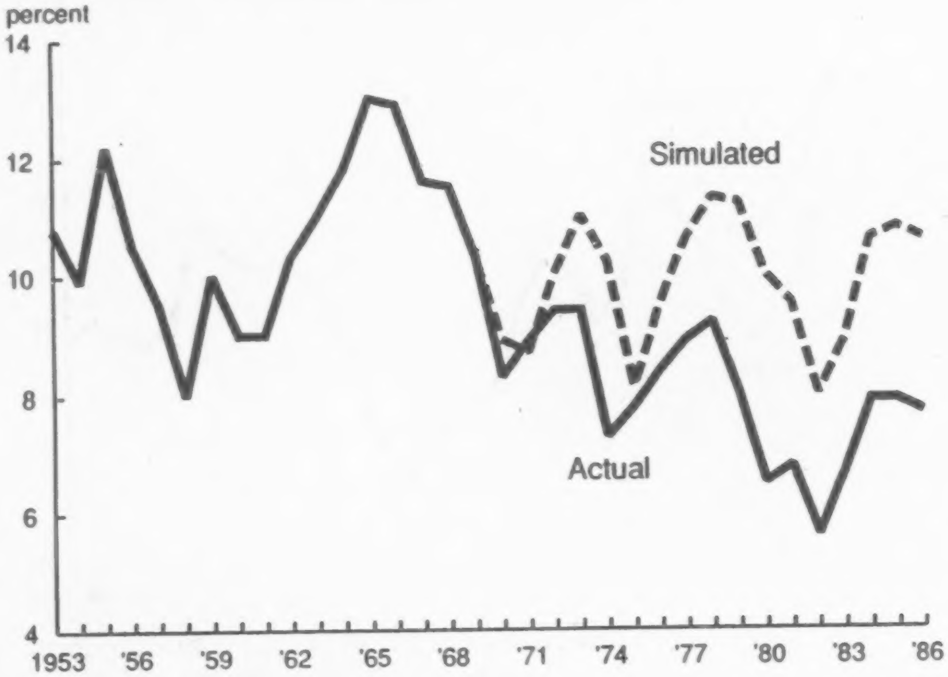


Capital stocks per laborer

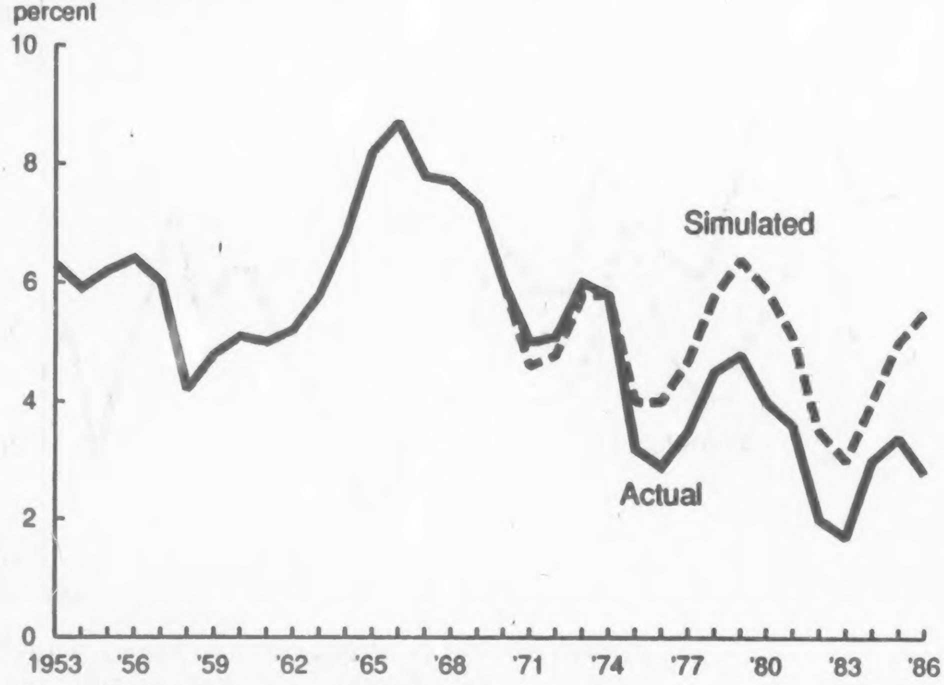
Ratio of nonmilitary public capital
to private capital stocks



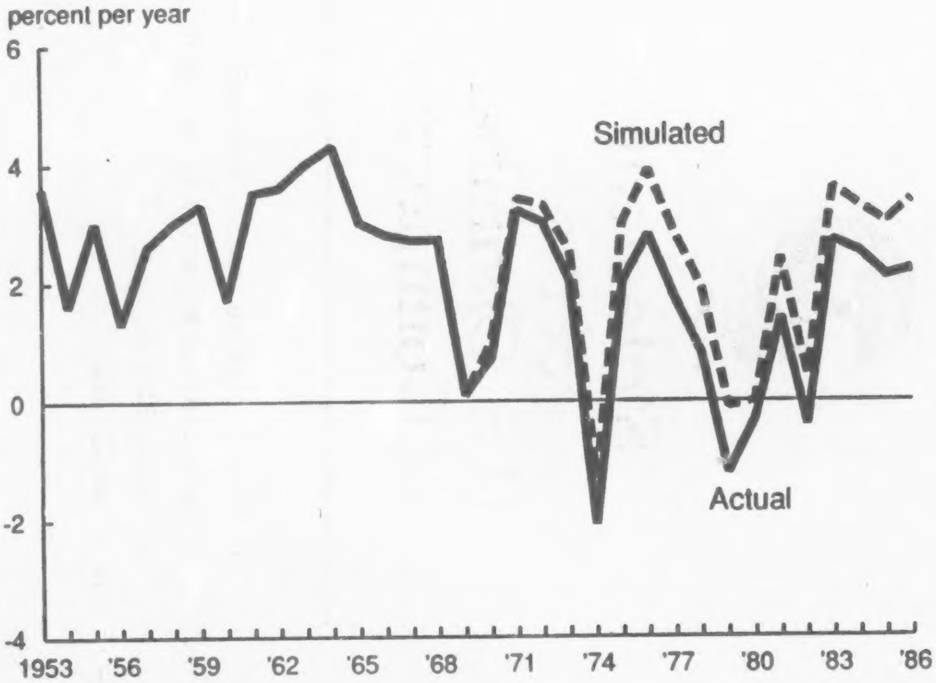
Simulated effect of an increase in public investment on return to private capital



Simulated effect of an increase in public investment on national investment



Simulated effect of an increase in public investment on private productivity



Statement of the U.S. Chamber of Commerce

ON: INFRASTRUCTURE AND AMERICA'S ECONOMIC FUTURE

TO: HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

BY: JOHN S. BUSH, JR.

DATE: JUNE 13, 1990

The U.S. Chamber of Commerce is the world's largest federation of business companies and associations and is the principal spokesman for the American business community. It represents nearly 180,000 businesses and organizations, such as local/state chambers of commerce and trade/professional associations.

More than 92 percent of the Chamber's members are small business firms with fewer than 100 employees, 59 percent with fewer than 10 employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business--manufacturing, retailing, services, construction, wholesaling, and finance--numbers more than 10,000 members. Yet no one group constitutes as much as 32 percent of the total membership. Further, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the 59 American Chambers of Commerce Abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross section of its members serving on committees, subcommittees and task forces. Currently, some 1,800 business people participate in this process.

STATEMENT
on
INFRASTRUCTURE AND AMERICA'S ECONOMIC FUTURE
before the
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
for the
U.S. CHAMBER OF COMMERCE
by
JOHN S. BUSH, JR.
June 13, 1990

I am John S. Bush, Jr., Vice President, Governmental Affairs for the USG Corporation. My appearance today is on behalf of the U.S. Chamber of Commerce, where I serve as a member of the Construction Action Council. Accompanying me is William D. Kelleher, the Chamber's Manager for Community Resources. The Chamber appreciates this opportunity to express its views on the state of the nation's surface transportation infrastructure and America's economic future.

America's transportation infrastructure is crumbling. Decaying and overburdened roads, bridges, highways, airports, waterways and railroads are robbing the nation of economic vitality. Mobility--the ability to move people and goods--has always been important to the U.S. because of its size and dispersion of economic activity. In a global economy, an efficient and cost-effective transportation network is a key to international competitiveness.

As economic boundaries disappear and economic opportunities develop overnight, the U.S.'s ability to move people and goods quickly will play a major role in shaping its economic future.

In the 1950s and 1960s, America had a transportation network that was the envy of the rest of the world. This network played an important role in enhancing productivity and keeping costs low. In contrast, today the U.S. faces a gridlock crisis in its transportation network.

Mr. Chairman, the Chamber specifically urges the Committee to:

- Put the trust back in the transportation trust funds by spending the funds' existing surpluses;
- Ensure the continued financial integrity of the trust funds by taking them off-

budget;

- Oppose efforts to usurp transportation user fee revenues for other purposes;
- Support a federal leadership role in establishing a national transportation system;
- Enhance options for public-private partnerships and privatization; and
- Consider establishing an infrastructure bank and using capital budgeting concepts to better manage infrastructure spending.

Causes

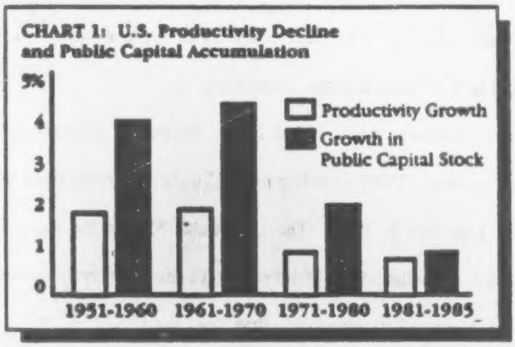
America's transportation infrastructure crisis is the result of six major trends: suburban development, economic relocation, demographic and labor force changes, increased automobile use, reliance on trucks, and lack of infrastructure investment.

By almost every measure, the U.S. has been reducing its investment in infrastructure. As a share of gross national product (GNP), spending on public capital has dropped from 2.3 percent of GNP in 1960 to less than 1.1 percent in 1985. The U.S. ranks 55th in the world in capital investment in infrastructure. It spends a smaller share of its resources on highway investments than Japan spends, which relies more heavily on rail transportation than does the U.S.

As noted by David A. Aschauer, senior economist at the Federal Reserve Bank, the net result is a decline in U.S. competitiveness. "A root cause of the decline in the competitive position of the United States in the international economy may be found in the low rate in which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods and services."

As shown in Chart 1, as the U.S. investment in infrastructure has fallen, so has its productivity.

Other measures show a decline in infrastructure investment as well. Absolute dollar amounts invested in infrastructure when measured in 1972 constant dollars fell by 17 percent between 1964 and 1985. When measured on a per capita basis, spending has dropped by 40 percent since 1964. Perhaps the clearest way to demonstrate the decline in surface transportation infrastructure investment is to compare some numbers from the 1960s and 1980s. In the 1960s, 12 cents of every dollar spent on automotive transportation went toward roads. In the 1980s, only six cents of every dollar has gone toward the U.S.'s road network -- a 50 percent reduction at a time of escalating road use.



Between 1968 and 1988, the private sector invested in new plants and equipment at a much higher rate than the public sector invested in infrastructure. Private-sector spending on capital rose from just over $4 trillion in 1982 to $7.3 trillion in 1988 while non-military public capital stock increased from $1.2 trillion to $1.7 trillion. The ratio of public to private fixed capital stocks sunk from over 30 percent in 1968 to approximately 23 percent by the end of 1988.

As Mr. Aschauer noted in a March 14, 1990, Wall Street Journal editorial, "Public Spending and Private Profit":

> Countries that sustain a high level of public investment relative to output experience higher productivity growth than other countries. For example, during the past two decades Japan has invested about 5.1% of output in public works and achieved productivity growth of 3.1% per annum while the U.S. has maintained a low public investment ratio of 0.3% and seen inferior productivity growth of 0.6% per year. A part of the explanation of the decline in the competitive position of the U.S. may be found in the low rate at which it has added to its stock of ports, highway, airports and other facilities that aid in the production and distribution of goods and services.
>
> Yet physical capital investment slid from 24.3% of total federal outlays in 1960 to 11% in 1990 and is scheduled to fall to 10.7% in 1991. Similarly, total federal investment has slumped from 34.1% of outlays in 1960 to 19.4% in 1990 and, if the president's proposed budget were adopted, would decrease to 19.2% in 1991.

Twenty years of underinvestment has led to the wearing out of the basic systems necessary to support economic growth.

America's Changing Transportation Needs

The 1980s has been the decade of the suburbs in terms of economic growth. Since 1950, 86 percent of the U.S.'s population growth has taken place in the suburban areas surrounding central cities. While Americans were deciding they liked the density of suburban living, they were also choosing to live in larger metropolitan areas. By the mid-1980s, approximately half of the U.S. population lived in 35 areas with 1 million or more people, and one of three Americans lived in areas with 2.5 million or more people. (Seventy-five percent of all Americans live in metropolitan areas.)

In 1950, only 17 American metropolitan areas had populations of one million or more. These areas contained less than 30 percent of the nation's population. Jobs moved with population. Between 1960 and 1980, over 60 percent of all job growth took place in suburban areas. In 1960, American suburbs had about 14 million jobs or 35 percent of the U.S.'s employment base. By 1980, the number of jobs had more than doubled to 33 million. Today, as we enter the 1990s, businesses in the suburbs employ 60 percent of all workers and are responsible for 67 percent of all job growth.

The impact of these trends can be seen in communities around the country.

- In Gwinnett County, 18 miles outside of Atlanta, the population has grown from 72,000 in 1970 to 250,000 in 1987.
- Oakland County, near Detroit, has been responsible for 40 percent of all job growth in Michigan since 1982.
- Tysons Corner, a sprawling Washington, D.C. suburb in Fairfax County, Virginia, has more office space than either Baltimore or downtown Miami.
- This growth in the number of people and jobs in new suburban locations has doubled commuting time and has led to rush hours in the New York metropolitan area that will last for 15 hours a day by 2000.

In addition to shifts in population and job locations, there continues to be a major social change in the composition of the work force, as the Eno Transportation Foundation Report, Commuting in America, points out.

- Between 1960 and 1980, the working-age population increased by 40 million, an increase of 38 percent, compared to an overall population growth of 26 percent.
- More than twice as many people entered the working-age group between 1970 and 1980 as did in the 1950 to 1960 period. Total population is projected to

grow by another 40 million by 2010.

- In 1950, about one-third of working age women were in the labor force. By 1985, that figure had jumped to almost two-thirds. Of the 50 million new entries into the labor force since 1950, 30 million were women. Women represented only 28 percent of the labor force in 1950; today they exceed 44 percent. Furthermore, studies reveal that the trip patterns of women differ from those of men in that women tend to make more "chained" trips, involving travel, for example, to child care centers or shopping areas before and after work. The frequency of trips is also increased by the growth of part-time employment, particularly for women. Although these latter changes in the labor force may lessen recurring traffic congestion, they tend to increase traffic flows throughout the metropolitan area.
- In those metropolitan areas experiencing high rates of population growth in the 1970s, the growth in the number of workers was far in excess of population growth.
- Phoenix, the fastest-growing large metropolitan area in the nation, increased in population by 55 percent between 1970 and 1980. The worker increase was 80 percent, 25 percentage points higher.

This explosion of workers has led to an explosion in commuters, and the U.S. is more dependent than ever on the automobile. The U.S. is faced with a national gridlock problem that is threatening its quality of life and economic vitality.

Relationship to Congestion

To put the impact of these economic and demographic changes in perspective, let me note several changes that have taken place between 1967 and 1987. The number of licensed drivers is up

55 percent, motor vehicle registrations are up 95 percent, and vehicle miles traveled are up 105 percent. At the same time, total highway disbursements were up 8 percent in constant dollars. Between 1950 and 1983, there was a 100 percent increase in the number of freight miles traveled per ton, and the average haul length increased by 30 percent.

Demand for new highways, accompanying the population and employment migration to the suburbs and beyond, has not been met by an increase in new construction. While the overall number of vehicle miles traveled between 1960 and 1987 increased about 3.7 percent per year, or roughly 168 percent, the number of new highway miles increased by only 9 percent. In addition, demand for intersuburban traffic movement and a greater number of highway access points have changed the intended use of interstates through many metropolitan areas. Because highway capacity has not met growing demands, the duration and location of traffic congestion have increased, as have the number of accidents.

As noted by the National Council on Public Works Improvement, "We have worn through the cushion of excess capacity built into the earlier investments without making commensurate investments of our own." The result has been a decline in our competitive position in the world economy and our quality of life.

Consequences

The infrastructure crisis can be measured both in terms of physical decay of transportation facilities and in the social and economic impact of congestion.

Let me share with the committee some examples in both areas.

- More than 60 percent of the miles of paved highways in the U.S. need some form of surface rehabilitation. In 1988, the U.S. Department of Transportation classified 43 percent of the interstate system pavement as either fair or poor.

Operating costs are closely correlated with pavement condition. Truck costs shoot up to

6.3 cents per mile when road conditions drop from "good" to "fair". Continuing current levels of highway funding will result in further deterioration of the highway system, resulting in an estimated $1,000 increase in vehicle operating costs per household. The relationship fortunately works the other way as well. Every $1 invested in highways reduces direct operating costs by $3 to $4. Today, 35 percent of the interstate system has have outlived its design life.

- Highway congestion already is serious in many areas, and the total number of miles travelled annually by vehicles will increase by one-third over the next decade to 3 trillion.
- By 2005, traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost wages and wasted gasoline. Continued neglect of infrastructure is also costing jobs and increasing costs. The Port Authority of New York and New Jersey estimated that the region has lost 600,000 jobs as a result of infrastructure deterioration. In Pittsburgh, U.S. Steel estimated that it pays at least $1 million a year in additional costs to detour its trucks 18 miles around a major bridge closed by the state for lack of repair.

According to various Federal Highway Administration (FHWA) studies, congestion problems are growing throughout the transportation system. FHWA found that the percentage of urban interstate miles considered to be congested grew from 31.5 to 46.7 percent in the mid-1980s. In a 1983-85 survey of 37 metropolitan areas with a population of more than 1 million, traffic delays increased more than 90 percent in rural sections, about 50 percent in suburban areas, and 20 percent in central sections.

Traffic congestion imposes direct costs upon the individual by increasing personal travel time and vehicle operating costs in terms of fuel and motor oil consumption. For example, the California Chamber of Commerce estimated that traffic delays and rough roads cost motorists $135 a year in lost time and another $97 in fuel and maintenance costs. The Texas Transportation Institute estimated the 1986 per capita cost of congestion (user cost and additional fuel cost) at $330 without the added cost of higher insurance premiums associated with more congestion-related accidents, and $400 per capita including the insurance adjustments. Indirect costs, stemming from higher accident rates associated with driving in congested traffic, added vehicle wear and tear, degradation in the quality of travel, and higher insurance premiums, are more difficult to quantify.

Various organizations in Southern California have estimated that traffic delays amount to 300,000 to 485,000 hours per day for motorists in the greater Los Angeles area. According to a transportation official for Los Angeles County, the cost of these hours of delay is valued at over $507 million per year. The Southern California Association of Governments estimated the daily cost of recurring congestion in the Los Angeles region at over $7 million, using 1984 data and 1987 prices.

The trucking industry is also affected by congestion. According to FHWA officials, the total annual cost for trucks being delayed on freeways is between $4.2 and $7.6 billion, based on estimated vehicle operating costs combined with driver time charges of between $30 and $55 per hour. Losses on urban streets, docking areas, time losses from delays at loading docks and transfer stations may go as high as $23 billion and this does not include the opportunity costs from lost sales due to products not being available.

Impact on Business Operations and Productivity

There is a saying in business that nothing starts to happen until someone makes a sale. The corollary to that statement is that no job is finished until the product is delivered.

The declining quality of our highway infrastructure is impacting all aspects of business operations and by increasing costs and imposing delays that are hindering our ability to compete in a global economy.

As shown in Table 1, all aspects of American business are using just-in-time inventory procedures to reduce inventory costs and limit the amount of capital tied up in unproductive areas. This requires a transportation system that can respond in a reliable and predictable manner. To utilize plant and equipment and use labor more efficiently, firms are also using lower production run numbers. However, this process requires more frequent deliveries of raw materials and subcomponents as well as additional shipments to customers. Increasingly, businesses of all sizes and in all sectors of the economy are investing in new information systems that provide them with fast and reliable data on the status of their operation. This new management resource cannot be translated into economic efficiencies unless we can move goods effectively.

TABLE 1

Percent of Volume Shipped Just-in-Time by Industry

Industry	1987	1990	1995
Food	25.5%	31.3%	34.4%
Chemical	10.9	20.0	29.9
Pharmaceutical	7.2	15.0	22.2
Automotive	16.9	35.8	41.9
Paper	15.8	20.0	27.5
Electronic	23.2	27.2	31.3
Clothing/Textile	29.5	41.8	49.0
Other Manufacturing	23.5	28.7	34.8
Merchandise	6.3	10.4	12.1
Total Response	19.2%	26.8%	32.1%

Source: Customer Service: A Management Perspective, Oak Brook: Council of Logistics Management, 1988.

Transportation is a significant component of the costs of all goods. On average, 20 percent of the final cost of goods is the result of transportation expenses. An inefficient transportation system increases costs throughout the economy because it has an impact on manufactured goods at all stages of the production process.

How Much Investment in Transportation Infrastructure

Various organizations are proposing different levels of federal spending for highways and various studies are being done to estimate the impact of enhanced infrastructure investments on economic growth and productivity. The U.S. Chamber supports the concept of infrastructure investment as a means to promote economic growth, improve our competitive position in a global economy and stimulate improvements in American productivity. Further, the Chamber recommends that federal highway program spending levels be made consistent with American Association of State Highway and Transportation Officials report, New Transportation Concepts for A New Century. This would mean a federal highway funding levels of $17.6 billion in FY 1992, $19.6 billion in FY 1993, 22.7 billion in FY 1994 and $25.9 billion in 1995. Further, The Chamber endorses reaching the high investment range in the 1988-2020 planning period, as shown in Chart 2. In the short term (2-3 years) we believe this level of investment can be supported by current user fee revenues and a reasonable draw-down on the existing highway trust fund surpluses and the interest income from the remaining surplus.

The Chamber's recommendation is based on the role of transportation in the economy.

Transportation is a valuable service industry, an important cost factor in other products and a significant consideration in developing a business strategy.

To be effective and efficient, the transportation sector needs the current infrastructure decay reversed. As pointed out earlier, the U.S. is annually are suffering billions of dollars in losses from the current poor state of our infrastructure. We need to build new roads and expand our existing network to reduce current congestion problems and restore levels of mobility in our economy consistent with the standards that existed in the late 1960s and early 1970s. DOT has forecasted a 436 percent increase in freeway delays by 2005 if we do not act to expand capacity. Even using a more cautious forecasting approach, GAO (The Government Accounting Office) has estimated a 300 percent increase in delays. If these forecasts are allowed to come true, increased transportation costscould erode any other gains we make in improving manufacturing productivity and reducing costs in other aspects of manufacturing.

CHART 2: Surface Transportation Annual Expenditure Requirements, 1988-2020

Transportation Area	**Investment Range (billions)** Current	Low	High
Highways, Roads & Bridges	$66.0	$80.0	$100.5
Transit	14.5	15.1	15.8
Linkage to Other Modes	N.A.	1.0	1.0
Total	80.5	96.1	117.3

As the leading management expert Peter F. Drucker has pointed out, as an organization better controls direct production costs, indirect costs such as freight charges play an expanding role in your ability to compete.

Business is increasingly recognizing that the essence of automated production is a system organized around information. To fully utilize the benefits of an information-driven manufacturing process we need a support system that is reliable, efficient and cost effective.

The U.S. is not better able to compete if we eliminate manufacturing productivity gains through escalating transportation costs. It does management no good to have better information with which to plan and control its production runs and inventory levels if it cannot rely on the transportation network to deliver raw materials and or subcomponents to his/her plant and finished products to his/her customers in a timely fashion.

A sound transportation system is a precondition for a globally competitive economy. We need to build a transportation network with sufficient capacity to support our current requirements to move people and goods, provide room for future growth and create an environment that encourages innovation. To determine the proper level of infrastructure investment, we need to balance our engineering skills and construction capacities, our social and economic needs, a healthy concern for the environment, and our ability to pay.

Chamber Position

The Chamber supports continued federal action to provide a transportation system that meets the nation's mobility needs. In shaping action in this area, it supports the following principles:

- There is an immediate need to begin to restore those portions of the basic infrastructure that have fallen into dangerous disrepair. In addition, every effort must be made to begin constructing those projects needed to provide the services required to accommodate growth. Programs to better use the existing infrastructure network should be encouraged.

- User fees should play a central role in financing infrastructure construction, rehabilitation and maintenence.

- The massive infrastructure needs of the nation will require the establishment and enforcement of priorities for repairing, rebuilding and developing the public works needed to support commerce and protect the public health and safety.

- Where appropriate, provision of public infrastructure services through private means or local authorities should be considered on a cost-effective basis. Privatization can and should play a key role in meeting public capital needs.

- Establishment of a federal infrastructure bank should be considered by Congress as a method for improving the management of federal contributions to state and local efforts. Federal user fee financed trust funds for infrastructure, such as those earmarked for highways and aviation facilities, should be taken off-budget to ensure that the monies raised through this method are spent efficiently and effectively and with a minimum of political interference. Capital budgeting should also be considered in managing federal infrastructure investments.

Next year, Congress faces one of its most important challenges in 25 years. The basic legislation covering highway and transit programs will expire. The interstate highway system, which has provided a focal point for this legislation, will be declared complete. This will provide Congress, the Administration and the business community with an opportunity to establish new directions and develop new priorities.

The key question underlying all debate in this field is whether Congress has the will to find ways to improve the nation's transportation infrastructure to meet the needs of the 21st century. Without a sound infrastructure network, the U.S. cannot have a strong economy or a high level of productivity.

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

"INFRASTRUCTURE AND AMERICA'S ECONOMIC FUTURE"

TESTIMONY OF:

DAVID LEWIS, Ph.D
PARTNER
HICKLING CORPORATION

AND

DANIEL HARA, M.A.
HEAD OF POLICY RESEARCH
HICKLING CORPORATION

JUNE 13, 1990

INTRODUCTION

We would like to offer a perspective on the question of public infrastructure investment in the context of its role in promoting national economic growth. Our comments are presented in the form of an overview; our colleagues on the panel, Dr. David Aschauer and Dr. Laurits Christensen, will then add further detail to certain points that we believe deserve special emphasis.

Our overview touches on four, interrelated points that help put the role of public infrastructure in perspective;

- The first is that enhanced productivity is key to long-term economic growth and improved living standards;
- Second, more capital investment is a critical factor in enhancing the rate of growth in productivity;
- Third, both private and public infrastructure are important aspects of capital investment as a source of productivity growth;
- Fourth, not all investment is good investment. Sound analysis is critically important in assessing whether infrastructure projects are likely to yield net economic gains. An important problem here is that certain kinds of productivity gains are not typically measured in the assessment of infrastructure projects, leading to possible under-investment.

Taken together, these four issues indicate that infrastructure investment has a key role to play in promoting America's economic future. More capital formation in general is crucial for productivity and living standards and public investment has a key role to play. Equally important is the quality of investment. More private capital formation will generally lead to high quality investment because market forces provide firms with an incentive to channel capital dollars productively. In the public sector, on the other hand, special efforts are needed to ensure that investment dollars are used wisely and that infrastructure programs and projects are planned in recognition of the productivity potential they can unlock for private industry.

PRODUCTIVITY AND ECONOMIC GROWTH

Enhanced productivity is key to long-term economic growth and improved living standards.

Real output, or Gross National Product, may be viewed as the number of workers in the economy times the production per worker. Future growth will come from one of these two sources -- more workers, greater productivity per worker -- or from both.

However, both labor force growth and productivity growth have been dropping relative to past levels.

Labor force growth has slowed from as high as 2.9% per year in the late 1970's to a projected level of 1.3% between 1987 and 1997, and a further reduction to 1.0% between 1998 and 2011. This slow-down reflects both lower population growth and smaller increases in labor-force participation. An aging workforce implies fewer younger workers entering the work force.

To our misfortune, growth in U.S. productivity has also declined in relation to historical patterns. Whereas total factor productivity of the United States economy had increased by an average of 1.19 percent per year between 1913 and 1950, it actually declined by about 0.27 percent per year between 1973 and 1984. If current trends continue, many forecasters foresee total productivity in the United States growing on average by about 1.5 percent over the next quarter century, reflecting about 3.5 percent growth in manufacturing productivity. The lower level of growth in overall productivity reflects, among other things, the poor measured performance of productivity in many of the service sectors.

When long-term forecasts of labor-force and productivity growth are combined, the 25-year outlook for overall economic growth is about 2.5 percent a year. According to Professor Ralf Landau, a consulting Professor of economics at Stanford University and a faculty member of Harvard's Kennedy School of Government, if the long-term rate of U.S. economic growth is not increased to its historic level of some 3.5 percent, the ever greater employment opportunities and even higher levels of material well-being to which most Americans have grown accustomed will no longer be possible.

Landau believes that the key to improved prospects for growth lies in the nation's productivity. An increase in the projected growth rate in overall productivity of 0.8 percent a year would be sufficient to bring overall economic growth to the level of about 3.5 percent over the long term. Although the amount may seem small on an annual basis, the compound effect over many years would be substantial.

Higher productivity would allow industry to increase its international competitiveness without sacrificing the wages of its workers.

CAPITAL INVESTMENT AS A CATALYST OF PRODUCTIVITY

If productivity is the key to growth, what factors are key to improved productivity?

One well known factor is the level of capital investment per worker. The more capital invested per worker, the more productive each worker can be. Consequently, the greater the rate of investment in new capital, the greater the rate of growth in productivity. Researchers have documented a strong statistical relationship between the growth rate in capital investment per worker on the one hand and the growth rate of labor productivity. Nations with high gross capital formation display high growth rates in labor productivity and vice versa. With the lowest growth rate in capital investment per worker among the nations of North America, Europe and Japan, the U.S. has also enjoyed the lowest rate of growth in labor productivity.

The rate of capital investment is important not only for its addition to the amount of capital per worker, but for its impact on the **quality** of that capital. Because new capital tends to embody the latest technology, the more rapidly new capital is added to the capital stock, the faster the average productivity will grow. The significant, though less obvious point, is that the rate of technological progress itself is dependent on the rate of capital investment. The more quickly new capital is added to the capital stock, the better the quality of that capital will be in terms of the innovative technology it embodies. This in turn means higher productivity and higher growth.

How is it that capital investment stimulates technological advance and productivity growth? According to Landau's research, the answer may be found in the way technological change is incorporated into capital equipment and facilities. Except for a small part devoted to basic science, research and development is seldom undertaken unless its results are expected to be applied in new facilities and superior operating modes that can improve productivity, reduce costs or raise the quality of goods and services. Therefore, a larger rate of investment creates a market for technological improvements, spurring technological advance and improved productivity.

THE ROLE OF PUBLIC INVESTMENT

As with private investment, the rate of public investment is important to productivity growth.

The productivity of public capital is driven by new investments. Not until 1985, when Congress authorized a multi-billion investment program for the nation's air traffic control system, did it also authorize the Federal Aviation Administration to begin in earnest a program of research and development in advanced automation. The Congressional Budget Office at that time indicated that, well managed, such a program would yield more than $36 billion in productivity improvements for airlines, business travellers and industry.

A similar example is apparent in the case of federal highway investment. It was in association with a sizeable increase in the level of federal highway spending that Congress saw fit to authorize the Strategic Highway Research Program, a multi-million dollar effort to find more productive pavements, construction methods and maintenance techniques.

New technology and approaches embodied in public capital investments unlock, in turn, the application of new technologies in the private sector. New air traffic control facilities lead to innovations in aircraft management. New road surface standards lead to innovations in truck design.

More generally, there is emerging statistical evidence of the influence of public capital investment on the nation's overall rate of growth in productivity. We mentioned earlier that researchers have documented statistically a complementary relationship between gross capital investment and the rate of productivity growth. Other researchers, such as Dr. David Aschauer of the Chicago Federal Reserve Board, are trying to disentangle the relative influence of private and public investment and coming up with interesting results. The findings indicate that both private and public capital investment contribute to productivity growth. There is also some statistical indication that the returns to public capital investment presently exceed private returns. But this debate partly misses the point that both private and public investment can create the economic conditions for more productivity and thus the enhanced economic growth needed to sustain living standards.

THE IMPORTANCE OF PROJECT ANALYSIS

While the rate of investment in public capital is crucial, we must also be discriminating on where that investment is made. Not all investment is good investment.

In the private sector, the profit motive, combined with competitive forces, tend to ensure that the right kind of investment takes place. In the public sector, it is necessary to find a way to test and ensure that the right kind of investments are being made.

Traditionally, the practice of benefit/cost analysis is supposed to answer this need. Projects which pass benefit/cost tests are supposed to be the most worthwhile.

In principal, benefit/cost does provide the correct answers and guidelines. However, research-in-progress by Hickling and Christensen is asking whether benefit/cost analysis, as **currently practiced**, measures the full productive potential of infrastructure projects. The evidence thus far is that, under certain circumstances, it does not. The theoretical foundations of this finding are now being completed.

In essence, the problem is one of anticipating the impact of public sector investment on private sector productivity. For example, typical benefit/cost assessments of road improvements will measure benefits by assuming that the current overall structure of the road network is the most productive, and that the current types of vehicles travelling on the road will be unaffected. Benefits will be measured using time and fuel savings and to existing traffic. If new road surface standards permit the design of a better truck, the benefits of this to the private sector will be missed. If the development of satellite navigation and dispatching of trucks requires a redesign of the basic road network, this too could be missed with current benefit/cost techniques.

In short, the current practice of benefit/cost is based on an assumption of the acceptability of the status quo. Allowance for the constraints this places on the application of new technologies by the private sector is often neglected.

Industry itself is beginning to recognize the same point. Writing in a recent issue of the Journal of Transport Economics and Policy, a logistics executive (and former specialist in public investment planning and analysis) of a major supermarket chain writes that;

> "It is doubtful whether current methods of Cost-Benefit assessment fully account for the benefits of network improvements, which may include structural changes in distribution logistics"

Dr. David Quarmby, the author of this quotation, cites the case of highway network improvements leading the firm to reduce the number of food distribution depots needed to service a given territory of retail outlets. The benefits arising from this restructuring arise from the economies of fewer depots providing the same level of service and an inventory saving through a reduction in the number of stocking points. Quarmby goes on to show that benefits to commercial vehicles of road improvements, calculated as in the conventional way (as straight time savings) will tend to underestimate the true "business potential" unlocked by such improvements. In the retail distribution of food, for example, it is shown that conventional Cost-Benefit analysis of network improvements could understate the true benefits by 30-50 percent if some form of restructuring takes place.

Quarmby also notes that the move away from own-account to contract distribution creates a more responsive "market" for distribution services, and this enables distribution networks to react and adjust more readily as changes in the road network come along.

Clearly, it is important that the business and productivity potential released by infrastructure improvements be clearly understood and incorporated in our assessment of public investment opportunities. Failure to do so translates directly into a risk of sharp under-investment and mis-investment, with consequent sacrifices in economic growth and improved living standards.

The question is, how can this potential be exposed? To be sure, more in-depth surveys and studies are needed. Additionally, however, we see the need for a great deal more interaction between federal and state government officials -- the people who plan the infrastructure -- and industry itself, the people who use it.

Infrastructure planners and decision-makers need to seek out the David Quarmby's -- the logistics managers and the investment planners, industry by industry. We need to find out directly how different kinds of transportation facilities will affect the way they do business. New forms of cooperation and information-sharing between the public and private sectors are needed in order to alert those who plan the infrastructure to the radical changes occurring in U.S. industry as it grapples with the need to cut inventories, speed the flow of products, and speed product development. All these considerations underpin our ability to compete globally, and to increase our standard of living.

CONCLUSION

Productivity growth is the key to economic growth, competitiveness, and a rising standard of living. U.S. productivity growth has fallen below historical norms, and below our international competitors. A vigourous new look at public infrastructure investment offers a way to move productivity growth back up to its accustomed levels.

In setting total levels of investment in public infrastructure, we need to be aware of the extra impact of the rate of investment on the quality of capital. Higher rates of investment stimulate innovations which improve the productivity and effectiveness of the new capital.

In approving projects, we need be aware of the impact that public investment has on private sector productivity. New forms of cooperation and information sharing are necessary to identify and account for the private sector technologies and logistics enabled by public infrastructure investment. This will lead to not only a greater revealed need for investment, but also more productive investment.

More capital investment is needed -- both private and public -- in order to give labor and firms more productive leverage over their output. In the case of public investment, special efforts are needed to ensure that decision-makers understand the private business potential that certain kinds of infrastructure projects can unlock. Without this understanding, continued under-investment is inevitable.

Dr. David Lewis earned his Ph.D from the London School of Economics and was formerly a Principal with the Congressional Budget Office. Daniel Hara is Head of Policy Research for Hickling Corporation and an economist specializing in industrial organization, regulatory economics and investment planning. This testimony is based in part on Lewis & Hara, "The Role of Public Infrastructure in the 21st Century", A Look Ahead: Year 2020, Transportation Research Board, 1988.

"STRENGTHENING AMERICA'S FOUNDATION FOR COMPETITIVENESS"—TESTIMONY BY MARVIN RUNYON, CHAIRMAN, TENNESSEE VALLEY AUTHORITY

On behalf of our Board and the employees of the Tennessee Valley Authority, I'm honored to appear before you today. I believe that the members of this Committee have shown great foresight in focusing this hearing on a subject that's so essential, yet so often taken for granted.

"Infrastructure" doesn't have the glamour associated with high-tech, and it doesn't have the luxury of a high profile, but it's highly important to this Nation's future. That's because we're really talking about investments in the basic facilities and services needed to keep this country going—investments in America's foundation for competitiveness in a changing world.

We appreciate this opportunity to tell the members of this Committee what we're doing to contribute to this framework for the future as we make TVA an even more productive asset for the Tennessee Valley region and our Nation. I know that some members of this Committee are already very familiar with TVA, especially Congressman Clement, Congressman Duncan, and Congressman Ballenger. Their Districts are a part of TVA's 80,000-square-mile service area, and we're grateful for their counsel as members of the Valley Delegation, as well as their contributions as members of this distinguished Committee.

We also appreciate the encouragement that members of the Committee have shown for TVA's new way of doing business and the results we're achieving. Through a combination of teamwork, increased communication, and participation by all our employees, we've become a more businesslike organization. And we're accomplishing goals, such as our three-year freeze on electric rates, that just a couple of years ago many people thought were impossible.

Today, we're here to focus on TVA's role in strengthening our national framework for delivering essential services.

As I mentioned, every reference that we make to infrastructure is really a reference to investments in the common good. We're talking about investments that enable economic growth to take place and stimulate other improvements in the quality of life.

When TVA was established by an Act of Congress in 1933, this unique public corporation was given the charge to work with the people of the region to bring about a wide range of improvements in the quality of life in the Tennessee Valley. To accomplish that mission, TVA built a foundation for regional development. That framework included multi-purpose dams that controlled floods and improved navigation along the Tennessee River and its tributaries. Those dams also brought electric power to the entire region, including vast rural areas in which only three farms in 100 had electricity. TVA demonstrated that selling power in new markets could actually lower the unit costs of electricity to consumers.

To meet the region's growing power demands, TVA was one of the first electric power suppliers to experiment with large turbine generators in steam plants. Our high-voltage transmission system was another "first" in the industry. These and other advanced engineering technologies pioneered by TVA now benefit every power consumer in the United States.

TVA became a national laboratory for developing new ideas and new ways to improve the quality of life through partnerships with State and local governments, the private sector, and educational institutions across the region. TVA's power system today serves more than seven million homes, businesses, and industries in parts of seven States; and that system is connected by a 17,000-mile network of transmission lines. The original investment in TVA's power system came from Congressional appropriations. But since 1959, on the recommendation of this Committee, our power system, has been self-financing. And in our annual payments to the Treasury, TVA is paying back, with interest, the original public investment in our power system.

Today, TVA operates 39 dams on the Tennessee River and its tributaries, the Nation's fifth largest river system. This series of dams and locks makes commercial navigation possible for the 650-mile length of the river from Knoxville, Tennessee, to Paducah, Kentucky. It's a vital link in the inland waterway system that provides access to ports in 21 States from the Great Lakes to the Gulf of Mexico.

In addition to being the most energy-efficient form of moving goods, waterway transportation also helps hold down maintenance costs for other parts of the Nation's infrastructure. After all, a single barge has a carrying capacity that's equal to 15 railroad cars or more than 60 tractor-trailer trucks. Since TVA first provided a commercially usuable channel for river traffic, transportation savings to shippers are estimated to have totaled more than $2.5 billion. And private investment in waterfront plants, terminals, and distribution facilities has added up to more than $5.8 billion.

For our river system to continue to contribute to economic development, locks at the dams must be able to handle greater demands. However, river traffic is being hampered by small locks on three upstream dams. Those locks were built in the 1930s and '40s, when towing equipment and loads were much smaller.

We realize the need to make our river system more competitive by modernizing and tapping the full potential of this important resource. Overall, the framework that TVA built for electric power, navigation, and agricultural productivity has helped our region and the Nation grow and prosper.

The Tennessee Valley also is now one of our Nation's major manufacturing areas. More than 30 percent of the region's gross product comes from manufacturing, compared to 22 percent nationwide. Competitively priced TVA power is just as essential to those industries as the jobs that they provide are crucial to the communities of our region. And we know that many manufacturers and farmers depend on our river system to ship their products at a competitive cost. That's why we're making sure that these investments continue to generate benefits for the Valley region and the Nation.

And as I've mentioned, the returns aren't limited to those from bricks-and-mortar projects. About 75 percent of the modern products and processes used to increase soil fertility are based on technology developed by TVA researchers. And today, TVA's National Fertilizer & Environmental Research Center is meeting an even wider range of responsibilities.

I mention these contributions, Mr. Chairman, because they're directly attributable to the wise investment of Federal dollars to build a framework for economic development.

In determining how we can continue to maximize the return on this investment, we don't have to look beyond the horizon. The challenges presented by an increasingly competitive global economy are in full view. Our course is clear. We have to make and keep TVA competitive as a utility and as a Government agency. We must make sure that our self-financing power system supplies electricity at the most competitive rates possible. And we must manage our Resource Development programs effectively, so that they continue to merit the support of this Committee and your congressional colleagues. Maximizing the return on these investments is essential, so our region and this Nation can stay competitive.

With the support of Congress and our customers, we've held TVA power rates stable for the past two years. We fully expect to keep rates steady for 1991, and we're optimistic about extending rate stability beyond our original three-year goal. To make TVA's rate stability possible, we've achieved cumulative savings of more than $900 million. We've reduced staffing by 11,000 employees, about a third of TVA's total workforce, with no adverse impact on service to our customers. We've also reduced overhead costs by about 30 percent in our Resource Development programs, making more funds available to improve services to the people of the region.

These cost-savings and productivity improvements have reduced TVA's operating expenses to the lowest level since 1986. And while we reduced operating costs, we increased power sales last year by 2 percent. That may not sound like a lot—but in the context of a power system the size of TVA's, it amounts to almost 2 billion kilowatthours. That's enough power to serve 135,000 homes.

By holding down the cost of power and making our services more effective, TVA is helping to make the region we serve and our Nation more competitive.

TVA's central challenge for the 1990's and beyond is to be the most competitive electric utility in North America in terms of costs, quality, and delivery and to be the most efficient and productive agency in Federal service. We realize that we have much more to do to keep TVA competitive. But we also hope that the lessons we've learned about increasing productivity will prove useful to others in the public and private sectors.

In our push for more efficiency and productivity, no savings has been dismissed as too small, even in the context of a $5-billion budget. Senator Everett Dirksen once said in reference to the Federal budget that, "a million here and a million there and pretty soon you're talking about real money." You could say that we applied Senator Dirksen's approach in a new context—save a million here and a million there and pretty soon you're achieving some real savings. In many cases it wasn't a million or even close to that amount. For instance, our Resource Development group identified a savings of $6,000 by reducing computer time and other costs associated with producing their monthly ledger sheets.

On the other end of the spectrum, we renegotiated our coal contracts to take advantage of market conditions and saved nearly $30 million in annual fuel costs. And our initiatives to refinance TVA's high-interest debt are saving TVA power customers nearly $150 million a year.

We've recruited a number of top-level managers from the private sector and gained an infusion of new ideas to help renew TVA's spirit of innovation.

In TVA's Nuclear Power program, for example, we've reduced contract manager costs from more than $17 million in 1986 to zero this year. In other words, we have no contractors serving as line managers at TVA today. We've replaced them with a strong management team of TVA personnel. Our power customers have enjoyed the benefits of this new era of professionalism through record-setting performance. Last year, both units of our Sequoyah Nuclear Plant near Chattanooga set continuous run records. And Unit 1 at Sequoyah ranked second in the United States and eighth in the world in terms of generation.

As an organization, TVA is stronger and strategically better prepared to become a more competitive asset for the Valley and our Nation. We've set an agenda for the 1990s, concentrating on five strategic areas. We're focusing on providing environmental leadership, stimulating economic growth, serving our customers through a customer-first philosphy, maintaining a quality workforce and workplace, and achieving excellence in nuclear power operations. With your permission, Mr. Chairman, I will submit for the record a copy of more detailed information that I provided to all TVA employees and retirees about each of these strategic areas.

These initiatives are in keeping with the intention of TVA's founders to combine the authority of the Federal government and the flexibility and initiative of a private enterprise.

I believe that the same kind of disciplined and businesslike approach can be applied across the spectrum to strengthen America's foundation for competitiveness. Whether we're talking about operating airports or building and maintaining bridges, highways, or waterways, taking a competitive and businesslike approach can make these public investments more valuable assets.

Before I close, Mr. Chairman, I want to urge the consideration of two additional elements as part of the infrastructure for America's future. They may not be familiar in that context, but they also require substantial public commitments, and they also will serve as building blocks for a better future. These additions to America's infrastructure of the future represent investments in improving the quality of education and the quality of the environment.

Our education system must do a better job of teaching the basics of reading and writing and mathematics. But our young people need more than just the basics. Education must be competitive advantage for them and for this country in the years ahead. TVA is working with the region's colleges and schools to establish a number of skills training programs. And we're exploring ways that new technology, such as the fiber optic network we're installing for our power system, could have additional applications in support of education.

The need for a quality environment is receiving increasing attention today, and it also will require major investments by the public and private sectors.

TVA's commitment to environment leadership already is paying dividends for the region and the Nation. We have demonstration projects under way to help solve a wide range of air, water, land, and waste-management problems. All of our Nation's resource must be managed wisely if we are to sustain growth and attain the quality of life that we all want to enjoy. So both quality education and a quality environment have to be considered as essential parts of America's foundation for competitiveness.

In closing, Mr. Chairman, I hope that it's evident from the changes we're making that we want to make sure TVA remains a good investment for the American people. We appreciate your continuing support as we take TVA into a new era of quality and productivity.

(Attachment submitted for the record: "Mapping out TVA's agenda for the 1990s," a column by Chairman Marvin Runyon on five strategic areas that will shape TVA's future. The column appeared in the April 24, 1990, issue of Inside TVA, a publication for all TVA employees and retirees.)

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

MONDAY, JULY 16, 1990

House of Representatives,
Committee on Public Works and Transportation,
St. Clairsville, OH.

The Committee met, pursuant to call, at 9:05 a.m. at the Days Inn, 52601 Holiday Drive, St. Clairsville, Ohio, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Applegate and Mollohan.

The Chairman. The meeting will come to order.

Good morning. The Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. I want to welcome you here today and thank you for taking time from your busy schedules to share with us your concerns, knowledge and perspectives about this important issue.

This year, our Committee initiated a series of events designed to give us a better understanding about our Nation's infrastructure crisis. At our first event in Washington, we looked at emerging infrastructure needs from a national point of view. Our second and third events focused on the impact of infrastructure on the productivity, growth and ability of our country to compete in international markets. Future events will include hearings on infrastructure financing alternatives and new technologies.

It is very important, however, for us to get a good look at the infrastructure problems encountered at the local and state levels. Our meetings today, here in St. Clairsville and this afternoon in Youngstown, are the first of several planned at various sites around the Nation. We want to review infrastructure needs with the people most directly involved and to hear a broad range of ideas that can help resolve the problems.

It is a great pleasure for me to join Doug Applegate for this hearing and I want to thank him and the people of the 18th District for their generous hospitality. I consider Doug to be one of the Congress' hardest working members. He has spent many long hours working for veterans' benefits in his position as the Chairman of the Subcommittee on Compensation of the Veterans Affairs Committee. At the same time, he has been a knowledgeable and effective member of the Committee, serving on the Subcommittees on Economic Development, Surface Transportation and Water Resources. And Doug's long-standing concern for the welfare of the people of this area, and his efforts to overcome the social and economic problems that have resulted from the declining coal and steel industries, are well known and admired.

He has long been an advocate and industrial supporter of programs that benefit the economies of this region and the whole Nation, and in fact recently took the lead in passing legislation to include Columbiana County within the Appalachian Regional Commission.

Doug knows that when we talk about infrastructure, we are talking about the very cornerstone of our cities and rural communities. Though it may not be an exciting subject, it is infrastructure that provides the foundation for a sound economy and is at the very heart of the standard of living and quality of life that Americans enjoy.

From the hearings thus far, we know that not only do many problems exist with our public works facilities, but we have been short-changing our public works investments for more than 20 years. The question we ask today is: What about Ohio's infrastructure? How adequate is its network of public facilities—the roads, the bridges, public buildings, prisons, sewers and wastewater treatment facilities, water supply facilities, dams and other public works—to meet current needs?

In addressing this, we should all keep in mind that economic research in recent years has tied the level of public spending on infrastructure to the productivity growth rate in the private sector. The U.S. productivity growth rate fell from 1.8 percent annually in the 1960s to seven-tenths of a percent in the early 1980s. And during the same period, the annual growth rate of investment in infrastructure fell from 4.5 percent to .8 percent.

Productivity in our country is growing much more slowly than in other developing countries such as Japan, West Germany, Canada, France, Italy and the United Kingdom, some of which incidentally invest almost twice as much in their public works as does the United States. Actually I saw one figure, just last year Japan spent five times as much in infrastructure as did the United States, which kind of shocked me because you can look on a map—I come from California, you can lose the whole country of Japan on the map in California, and when you think that that country spent five times as much on infrastructure—highways and things—as the whole United States did, it is shocking.

Today, we look to you to help us gain further insight into our infrastructure needs and your infrastructure needs. What is the condition of and how adequate is your infrastructure to meet current and anticipated needs of the area?

Who do you think should pay for the necessary public works and what financing techniques have you considered? What do you think the federal role should be? The state role? The local role? Lastly, what should our Committee be doing to resolve some of these problems?

As we continue our inquiry and debate on how to deal with the current and anticipated needs of our public works, we look forward to your answers and to questions that you may raise.

Doug, would you like to make an opening statement?

Mr. Applegate. I get all choked up when this happens.

Glenn, thank you very much—I suppose I should be a little bit more formal and say Mr. Chairman——

I have known Glenn for the 14 years that I have served in the Congress of the United States and while he comes from California, he has been a very effective member for the entire country, having served as Chairman of the Surface Transportation Committee and others, and now has come to fruition with the Chairmanship of the Public Works Committee.

And I want to thank him and Paul Schlesinger and the rest of the staff who is with us all today, including Anne Grady and Jim Hart on my own staff, for bringing this Committee into the 18th Congressional District, because I think it is very, very important that we have this kind of input.

Obviously there is a tremendous need for the Public Works Committee to be able to come in and listen to some of the problems that we are having, because the only way that we are going to be able to succeed is in the development of our economy. We cannot do it if we do not have some kind of assistance. It comes into prominency when we look here in the last month or so where we have had a couple of very serious floods affecting the Shadyside, Ohio area and the Dillonvale, the Adena, Newtown, Dunglen areas. These have been ravaged to the degree that they have really affected the ability of the local communities, these communities, to be able to make industries even look at them.

One of the problems of the flash flooding was the lack of infrastructure in these areas. We do not have the proper sewer facilities and I think that it shows that eastern Ohio is somewhat far behind in that respect. So we need this kind of input from our local officials to tell us why it is we need what we need, where we need it and what we need.

We are continuing to lose our population, we are going downhill in that respect. Ohio stands to lose two Congressional Districts and Glenn, in all due respect, you in California, you are going to pick up some of our losses. So they are going to the sunshine states, California and Texas and Florida and those places.

But we cannot continue to keep on losing, because we are losing our tax base and other things. But we need the roads, the sewers, the water facilities, the new bridges and all that the Chairman has talked about.

And you know, when business comes into the area, they look at education, the quality of education. They look at the tax base, they look at the attitudes of the people. We can fulfill all of that very adequately, but they also look at the infrastructure system and if it is not in place, they are going to go somewhere where it is because they know that there is a place out there that can work advantageously to their profitability and that is where they are going to go.

Just two areas and I will mention it for the record and I am sure somebody will be looking and wanting to talk about it. We have, of course, Mr. Chairman—the Governor of Ohio has come forth and through the Director of Highways who is a witness today and will be testifying, has come forth and they have announced that they were going to complete some roadways—the bypass at Bellaire, the connector in East Liverpool if they ever get around to agreeing on anything up there, and Route 39 and different ones like that.

So we can deal with fewer basic problems as far as highways are concerned, but two of those would be the relocation of Route 250, which would run from Harrison County, which has the—either the first or the second highest unemployment rate in the State of Ohio, along with Monroe County. And it would open up a westward outlet for them so that they could go to the west and towards Columbus and that area. There will be an eastern, which would open them up to the eastern markets and into Pittsburgh. So that will be very good, but they are land-locked and they need these kind of infrastructure improvements to invite new industries into that area. And also, which I am sure that John Laslo may be talking about, is the Short Creek roadway from the Cadiz or Harrison County area down to the river, to open up that flooded area's potential for bringing in new industry.

And let me just say one thing and I will turn the mike over and let somebody else say something. Recently in Monroe County, we were able to be successful in getting approval for a grant for $2.5 million financed by the state for water lines which we will develop new well fields, new lines which would help retain the Ormet Corporation down in Monroe County and open up some new avenues for economic development which has been very good.

But here is what we are facing next week, and I think it is very important, and I throw this out to you as sort of a sidelight. We are going to be looking at a Constitutional balanced budget amendment. If this balanced budget amendment is passed, and it is being pushed by a group of members in the House of Representatives, who have taken a blood oath that there will be no new revenues, that is going to be coming down the line, that the only thing they want is a balanced budget amendment, which means that you have to cut spending in order to achieve it. That is where they are coming from.

Now if we have to go down the line and pick up all the spending that we have to pick up to save money, where are we going to get it? We are going to eliminate FEMA, we are going to eliminate EDA, we are going to eliminate the SBA, we are going to eliminate EDA—I said that—the ARC. We are going to eliminate all the lettered programs that are pushing monies back into our area, where we have a potential. We are going to be losing because the Department of Transportation is going to be seriously cut back. Every program will be slashed and we might as well just turn out the light and leave a note for the next person who wants to come in and try to start it up again. That is exactly where we are, and it is a little bit frightening because I think those people have shown a strong irresponsibility in while they are pushing for a balanced budget amendment, they are not saying how they are going to do it.

That is what I wanted to say. So thank you, Mr. Chairman, for allowing me a few minutes and I am anxious to hear what our guests have to say today.

The CHAIRMAN. Well thank you, Doug.

I want to congratulate all of you on selecting Doug Applegate. He is one of our best—and on top of that we like him, he is a good guy too.

I want to call on our first witness this morning, the Honorable Bernard Hurst, Director of the Ohio Department of Transportation.

I want to welcome you, Mr. Hurst. We look forward to your testimony. I am going to say something a little bit later when we have some of the others in, because we are going to have a fairly large group of witnesses today and I am going to ask them to summarize their statements in a two or three minute presentation, but so they do not worry, you may be sure that your full written statement will be printed in its entirety in the record of this hearing.

I am not trying to limit you, Mr. Hurst, because you are the state chairman here—state director, I guess I should say—probably the same thing.

TESTIMONY OF HON. BERNARD B. HURST, DIRECTOR, OHIO DEPARTMENT OF TRANSPORTATION (ODOT)

Mr. HURST. Mr. Chairman, welcome to Ohio. We, in the transportation field, are indeed honored and fortunate to have you visit Ohio to hear our problems and our needs. Those of us involved in transportation on a national level are well aware of your vast knowledge and your genuine concern for transportation problems. You command a very high degree of respect from all transportation officials throughout the country. We in Ohio are also most fortunate that you have serving on your committee three distinguished members from Ohio—Congressmen Applegate, Trafficant and McEwen. My office communicates almost daily with Congressman Applegate, and his presence on this Committee present ODOT with an excellent opportunity to transmit and receive information relative to transportation issues.

Because of my limited time, I am presenting a more detailed written testimony for the Committee's record. However, I will give a brief oral summary now of that written testimony.

Mr. Chairman, I know how you stand on many of the transportation issues we are facing today, and being substantially in full agreement with you, it is not necessary for me to attempt to influence many of your decisions.

I do want to make you aware of the problems in Ohio that we are administering and the additional programs we need to initiate in order to adequately address our future transportation needs.

Our funding for an adequate preservation program of our existing highway infrastructure falls short by approximately $200 million annually.

With 112,000 total miles of public roads in Ohio, ODOT is directly responsible for 19,000 miles. Our goal each year is to resurface or rehabilitate 10 percent of our system, or 1,900 miles. However, we continually fall 300 miles short of our goal each year.

And with approximately 43,000 bridges on the state and local system, more than 8,000, or 20 percent, are structurally deficient or functionally obsolete and should be replaced or rehabilitated. Due to the insufficient funding, the numbers that need replaced or rehabilitated grow each year. The local bridges maintained by counties and cities, approximately 28,000, are in even worse shape than those maintained by ODOT, which is 15,000, so local governments have an even more severe funding problem than does ODOT.

Only through recent increases in our state gasoline tax has Ohio been able to slow down the rate of deterioration of our system and also to provide funds for some much needed improvements—new routes and major reconstruction of some existing routes.

An increase in our state gasoline tax enacted by our General Assembly on June 30, 1989, raised Ohio's gas tax by 5.2 cents in a two-step increase, the final step being June 30, 1990, which increased our state tax to 20 cents per gallon.

Under the terms of this increase, the first one penny was allocated to local governments for bridges and road improvements. The balance of the increase, 4.2 cents, was distributed in accordance with our traditional formula, 75 percent state and 25 percent local governments. The Ohio legislature saw fit to allocate the state's share of this increase to new construction or major reconstruction projects. That would amount to $180 million per year. Consequently, some very important projects that have been shelved for many years will now be funded and constructed. Locally the Belmont State Route 7 improvement in Bellaire that Congressman Applegate mentioned earlier.

To help our problems of funding, Ohio has recently joined with developers to allow private funding on two interstate interchanges, whereby the developers funded the cost of the interchange and the state provided state and federal funds to improve the main line of the interstate. This arrangement allows the developer who owns the land around the interchange to properly develop with improved highway facilities, thus making the area more attractive for potential businesses. More of this type arrangements in private financing is needed in order to properly develop areas without building in congestion.

Mr. Chairman, Ohio presently has $365 million in federal gasoline tax funds that was paid by Ohio motorists, sent to Washington for distribution back to Ohio, has been allocated back to Ohio, but is still being held in Washington due to the obligation ceilings imposed on federal spending. And I am aware that you oppose this tactic of covering up the actual federal deficit, and I know that you propose to have this money released in the 1991 Highway Reauthorization Act. I join all my colleagues throughout the country in requesting you to stand firm in this proposed action. Many needed improvements have been unnecessarily deferred, many miles of highways have unnecessarily deteriorated because of this holding action of the U.S. government.

Ohio strongly feels that, being a donor state, we should receive more than the present 85 percent minimum allocation when the new highway act is finally approved. Being a central state with many primary routes intersecting and traversing through Ohio, we will require substantial federal funding in order to build this proposed highway system of national significance.

For that reason, we strongly fee that we should have not less than 90 percent of our federal gasoline tax returned to Ohio.

Mr. Chairman, Ohio recognizes and accepts the fact that the only resolution of our future transportation problems is to have a well-balanced program utilizing all the transportation modes to their fullest extent. For that reason, we are embarked on a program to promote more rail movements of goods and people. Our rail system in Ohio is only using 25 percent of its capacity. We are attempting to purchase all lines abandoned by the major railroads and helping to create and finance short-line operators to continue shipment on these lines. We are also exploring a high-speed rail facility between Cincinnati and Cleveland.

We are expending general revenue funds to assist in the planning and in the improvements of port facilities to encourage more waterway shipment of goods. Two-thirds of Ohio's boundary, or 700 miles, has navigable water that should be more fully utilized.

We aid local governments and public transit companies in providing public transportation for the needy, for the elderly and for the people with disabilities, all directed toward the decrease in automobile traffic in our efforts to decrease congestion.

The most neglected funding category for transportation is in the research area. I serve as Chairman of the ASHTO Research Advisory Committee, I serve as Vice Chairman of the Standing Committee on Research, and I am aware in our meetings throughout this country of this shortage. Spending today for highway research is approximately two-tenths of a percent of our total highway expenditure. While successful private corporations allocate approximately six percent of their total budget to research and development, funds for highway research has steadily declined over the past several years. The need exists for us to provide better materials, better design, better construction techniques—all made possible through adequate research and development programs.

And there is a pressing need to combine the research for highways with all other modes in order to learn how to best connect the different modes in promoting a balanced transportation system. Problems exist today in combining research funds from the various U.S. DOT administrations. Intermodal connections between the various modes will present major problems that should be addressed now by proper research.

While we all agree that highways and all other transportation systems need to be designed, constructed and maintained to provide safe facilities for the travelers, we have learned that even the safest of facilities will not protect the errant or inattentive driver. We spend billions of dollars each year building and incorporating safety features into our highway systems, yet accidents and deaths continue on these safest of highways. There needs to be a better program aimed at improving these errant and inattentive drivers by an educational process that will improve their awareness and will help eliminate their physical and mental deficiencies caused by substance abuse, tiredness and inattentiveness. I feel a substantial investment in this type of an educational program will actually save more lives than our highway safety improvement investments.

Thank you, Mr. Chairman, for sharing your valuable time with the citizens of Ohio.

The CHAIRMAN. Well thank you, Mr. Hurst, for sharing your valuable time with us. That was an excellent statement. I have a couple of questions.

What steps has the State of Ohio taken or proposed to take to assist the local governments in their critical road and bridge needs?

Mr. HURST. The Ohio legislature has passed permissive legislation allowing the local governments to add a $5.00 piggyback tax on their license. They receive that money which they can spend on the local system.

The Ohio Department of Transportation, just two years ago, decided to share our minimum allocation, $25 million or approximately 30 percent, the minimum allocation that we receive from being a donor state—we share that with the metropolitan planning organizations, the cities, so that they can have more improvements on the federal aid urban systems, and we share our BR bridge funds with local governments and cities and counties to the extent that we can. We assist them in preparing their plans, planning their projects to meet all of the regulations of the Federal Highway Administration. We lend a helping hand when we can.

We just need more federal funds coming in, particularly in the bridge program. The bridges are more critical on the county level than anything else.

The **Chairman**. It seems to me Doug was telling me that.

What specifically is Ohio doing or should Ohio be doing to help solve their transportation problems in the future?

Mr. **Hurst**. Mr. Chairman, Ohio is attempting to promote more movement of goods and people on the other modes of transportation besides highways. That is why we are involved in strong programs to increase the movement of goods and people on rail, including, as I mentioned in my testimony, exploring the high-speed rail line from Cincinnati to Cleveland, and we do more in this area—we are promoting the port facilities here in Ohio. We have ports here that inter-connect all over the world, plus we have the 700 miles of waterway around the perimeter of Ohio that we should be using more for the shipment of goods.

We are involved in the privatization of highway projects now, private funding. We think that that is instrumental in the future in providing areas to develop, but provide the necessary transportation facilities before the area is over-crowded and congested.

Those are some of the things that we're involved in.

The **Chairman**. Doug, do you have any questions you would like to ask?

Mr. **Applegate**. Thank you, Director Hurst, for the very excellent testimony. It certainly will be very useful in providing us with the information that we need when we get down to making some final decisions that we hope we are going to do in the Highway Reauthorization Act next year, which will be the big year.

Two things that you stated and one that I think is very important, is that you are recommending that the minimum allocation be raised. We were instrumental in increasing that to 85 percent before, and I agree—as a matter of fact in testimony I stated in Surface Transportation, that I would sponsor an amendment to the Highway Reauthorization Bill to increase that to at least 90 percent and perhaps maybe even more.

We are a donor state, we have certainly paid our fair share. Unfortunately we are still a donor state. We ought not to be because we have been losing our population and while at one time we were one of the wealthiest states and we always helped those in need, which is supposed to be the philosophy of our nation that the wealthy states give to the less wealthy, we cannot do that any more being on the other end, so I agree that we should do that.

The other that you mentioned, you had suggested that the Chairman was very supportive of, and which he has been, he has been very diligent in this, but it is very difficult to work with some of the other leaders in the Congress to get this done, and that is to take the Highway Trust Fund off budget. I think it is ludicrous to think that it should be on budget, but the reason that it is, is because it helps to reduce the deficit that we show. There is some $18 billion in the Highway Trust Fund that needs to be spent, needs to go back to the areas such as ours in order to help us meet the needs that we are—we have been shorted on, let us put it that way. And I think that if we take that off budget, we will have easier access to making that money available to the very people who have paid it in the first place. So I think it is a very good suggestion, we are certainly going to try with the Chairman's leadership again next year, we are going to try. We have gone through a lot of very powerful people throughout the years in Congress in trying to get that done, and it meets with tremendous opposition, and particularly from the White House, for obvious reasons.

So I commend you.

Mr. HURST. That is one of the strong recommendations, as you know, that ASHTO is making to Congress in the Reauthorization Act.

The CHAIRMAN. One of our toughest ones. They cannot spend it for anything except highways, but if they do not spend it and it sits there, on paper it makes the deficit look less, even though by law it can only be spent for highways. And it is kind of foolish to have that money sitting there and not being spent—I could say pretty easily almost every state in the Nation needs a certain amount of that money. It should be spent, it will help our country and help our state. But they will not spend it and they know that just adding that to the deficit makes the deficit look less, but it really does not.

Mr. HURST. It is costly to us because it is allowing these interstates, for instance, to further deteriorate because we cannot get out and maintain them properly with that money. That is what concerns us more than anything else, the longer we let these pavements deteriorate before we can rehabilitate them, the higher the cost is. It goes up at a very high proportionate rate, the years versus the cost to rehabilitate.

Mr. APPLEGATE. I would add that of course the so-called—I think we have about $18 billion, as you know—would infuse in fact perhaps as much as $50–$60 billion back in if we were able to release that and use it. So it just does not sit at $18 billion, we are talking about a great deal more money.

The CHAIRMAN. Thank you, Mr. Hurst, for your presentation.

Next we have a panel of state legislators. They include the Honorable Jack Cera, State Representative from the 99th House District; the Honorable Joe Secrest, State Representative from the 95th House District; the Honorable Jerry Krupinski, State Representative from the 98th House District and the Honorable Rob Burch, State Senator from the 30th Senatorial District.

If you will—in whichever order you want to do it, the way I introduced you, the way you are listed, or you own way. If you will briefly summarize your remarks, then we will question you as a group.

[The prepared statement of Mr. Hurst appears on p. 497.]

TESTIMONY OF HON. JACK CERA, STATE REPRESENTATIVE, 99TH HOUSE DISTRICT; HON. JOE SECREST, STATE REPRESENTATIVE, 95TH HOUSE DISTRICT; HON. JERRY KRUPINSKI, STATE REPRESENTATIVE, 98TH HOUSE DISTRICT; AND HON. ROB BURCH, STATE SENATOR, 30TH SENATORIAL DISTRICT

Mr. CERA. I guess I will go first since this is my home.

Thank you, Mr. Chairman, Congressman Applegate, for coming—welcome to Belmont County and thank you for bringing your California sunshine for a day because we sure could use it around here. I would just briefly like to discuss the infrastructure needs in an overview fashion. The problem with our infrastructure needs are great. The funding needs outweigh the amount of dollars that are available. In Ohio, the voters a few years ago passed Issue II, which made a 10-year commitment of over one billion dollars to address infrastructure needs. However, as we are finding out, this is falling short of all the highway, bridge, water and sewer improvements needed around Ohio. The legislature also passed an increase in the gasoline tax to help deal with our highway and bridge needs.

During the past years, I have had many problems brought to my attention by constituents and I would like to point out some of these.

First, in the area of water, I think there are three basic problems that we have with our water systems. First is of course having an adequate water supply. Many communities have had a problem with this, we have had problems with reservoirs, either that are old and aging or just simply do not have the capability to supply the water. We have, through Issue II, been able to have many of our communities acquire money for reservoirs, but for new reservoirs acquiring money is much more difficult.

While many communities have a problem, especially those that are not along the river, in having adequate water supplies, it seems the more pressing need is in the water delivery system. Many communities have old water lines which break and need repair constantly, and they just are not large enough to carry the water necessary to adequately serve the resident. While replacement of old lines if funded under Issue II, new water lines is not. And we, I think all here, support legislation that has been proposed in the Ohio legislature to allow the Appalachian areas to use Issue II money for water line extensions as well as improvements to existing systems.

We are waiting hopefully that that bill will come out of Senate, it has passed the House. Trying to extend water lines usually means relying on Farmers Home, and one problem that is always brought up to me is that since our population is small, making the cost per customer fit into the program guidelines is often impossible. We often have water lines extended within half a mile or less or people and they cannot be picked up, cannot pick up that additional distance to put them on the water system. It is difficult for me to understand that in 1990, we have so many citizens in Ohio that have to rely on wells and springs for water and have no—have to haul water in, in this day and age when water is such a valuable resource. We have an abundance of it here but we just cannot get it to the people who need it.

Moving on to sewer systems, as you know the federal and state government requirements on communities for improvements to their sewer systems has placed a large financial burden on communities and their citizens. The costs are usually over a million dollars and spread over a small population, it makes it difficult for a few people to afford it. It is a very substantial burden and one that we have seen businesses close and people leave because of the increased sewer and water fees.

The other problems I think will be addressed later in attracting businesses and the need for sewer into areas that we are looking to develop with new businesses.

Funding needs for state and local highways and bridges are still out of reach even though the legislature has raised the gas tax. The increase allowed us to make important strides in our maintenance program and new construction. It has also given additional money to local governments, which share in that funding, but it is still not enough, especially for bridge replacements in rural townships which have many unimproved roads.

The President's proposal to place the burden of transportation improvement costs on the state is absurd. As I said, we have already increased our gas tax and I do not believe we would be able to increase it again. What we need is the federal government to release our gas tax money which is held in the Highway Trust Fund, as the Chairman and Congressman Applegate support. It is my understanding that is a substantial amount of money.

Finally, any proposal to raise the federal gas tax should give us assurances that this money is used for highway and bridge construction and repair and not to reduce the federal deficit. The tax is a user fee and should be used to repair our transportation system. The tax should be used to fix holes in our roads, not the holes in our federal budget.

Thank you.

The CHAIRMAN. Mr. Krupinski.

Mr. KRUPINSKI. Thank you, Chairman Anderson. I too would like to thank you for bringing this Committee to the Ohio Valley. I would like to acknowledge Congressman Applegate's influence in making this happen. Thank you, Doug.

During the past decade, southeastern Ohio has been beset by a variety of circumstances which have contributed to high unemployment, particularly in the mining and steel industries, a corresponding decrease in the tax base, and a dramatic decline in population. Any of these three factors would generate a negative impact on the local economy and a decrease in revenue to governmental entities. However, the combination has produced a devastating effect on the county and local governments and their ability to maintain their respective infrastructure systems. This certainly leaves no resources to expand services.

The area is now faced with the reality of being unable to generate revenue as in the past. With less population, fewer vehicles and therefore less revenue from license plates and water and sewer systems, infrastructure budgets have been decimated.

Harrison and Jefferson Counties both have approximately 260 miles of county roads to maintain, and each have 400–500 bridges. Many of our bridges are structurally deficient or functionally obsolete, with weight limits posted at less than legal load. The rough terrain and topography tax the maintenance budget. A severe winter means little funds left for a summer resurfacing program. These major resurfacing programs are needed for both counties. The band-aid repairs are beyond being capable of sustaining the arteries of the area.

Water and sewer systems in both counties vary from virtually brand new systems to a few communities with wooden lines, frequent boil orders and failed septic systems. Approximately four villages in Harrison County are without sanitary sewer systems and six villages in Jefferson county have no sanitary sewer systems. Four to five villages are in need of major upgrading of their water systems. Additionally, various rural sections of both counties need drinking water systems. Due to the sparse populations in rural areas, it is not economically possible to design a water system based on FHA guidelines. This in turn hurts both residential and economic opportunities.

A partial solution to these problems has been the State of Ohio Issue 2 program. Designed primarily for repair and replacement of existing infrastructure systems, Issue 2 addresses only three to five percent of the total infrastructure needs. However, Issue 2 is having a much larger impact in Harrison and Jefferson Counties. Great improvements have been made to roads, bridges, water and sewer systems.

Another partial solution is utilization of the federal Highway Trust Fund. However, this small allotment, combined with low revenue, makes it virtually impossible to meet the 25 percent match. Also, due to our topography and alignment of county roads, current FHWA regulations drive the cost of projects to an unaffordable status for both of our counties.

Harrison and Jefferson Counties are helping themselves. Enactment of piggy-back sales tax, hiring full time economic developers, utilization of exciting resources, are some of the tools they are currently using.

Southeast Ohio has not experienced the economic resurgence that other areas of Ohio and the United States have realized. I do not want to see our youth continue to leave the area. We are faced with an aging population and an aging infrastructure.

I feel a workable solution would be a program similar to revenue sharing. Funds would be distributed directly to local governments for highway, bridge, water and sewer projects, with similar guidelines to the Issue 2 program. A program with minimal red tape that would benefit local communities the most.

Until we can upgrade our infrastructure, it will be extremely difficult to bring in new people and new industry, to one of the most beautiful regions in Ohio and certain in the eastern United States.

Thank you for bringing the Committee to the Ohio Valley and I hope the information that you gather here will be helpful in making your final determination on what legislative approach to take.

The CHAIRMAN. Thank you.

Mr. Secrest.

Mr. SECREST. Thank you very much, Chairman Anderson, Congressman Applegate and Congressman Mollohan. We appreciate you coming to the Ohio Valley to have a hearing and look at the infrastructure needs of this part of the country.

Needless to say, public works projects are critical to the 95th House District and our economic vitality and future growth depend on them.

As most of you know, a solid infrastructure system brings and maintains business and industry to any area of the country. Economic development is contingent on the environmental and transportation systems of any community.

From a transportation perspective, especially rural economic development relies on an efficient transportation system. Appalachia Ohio, and particularly the 95th House District which I represent, does not have the extensive highway system that is required for growth. The past help that has been directed to this area by the federal government is greatly appreciated and has had a very positive impact on the ability of us to move goods in and out of Appalachian Ohio. The mobility to ship goods and products as well as people is crucial for the productivity and quality of life in our area of the country. The federal involvement through the Highway Trust Fund could provide us with additional assistance.

As previous witnesses, and as mentioned by the panel, the $18 billion that is being held would certainly provide a real influx as to us to begin to address some of those overwhelming problems that we face in our highway system.

The same thing is happening in another area that I have some involvement in and that is the Board of Unreclaimed Strip Mines. The funds there, through a severance tax, are also being held to do the same smoke and mirror effect in terms of looking—making the budget imbalance look better than it really is.

From an environmental perspective, we also think that the infrastructure issue needs to be more adequately addressed. Previous witnesses, Representative Cera and Representative Krupinski, both have mentioned the great need in our area of the State for fresh water supplies and distribution systems, for wastewater collection and treatment facilities, sewer systems. It is not only from an environmental perspective that I bring this issue to your attention, but also from a public health and safety issue, the protection of surface water, ground water and drinking water supplies throughout this area of the state.

We in Ohio do realize the importance of helping ourselves and we think Ohio has done that. As also mentioned by previous witnesses, Ohio passed the Issue 2 bonding mechanism that made available $1.2 billion for us to begin to help ourselves with our infrastructure problem.

One aspect of the program to consider when talking about southeast Ohio is that monies are primarily being used to rebuild and improve the existing infrastructure. And also the need far outweighs the ability of us to fund that program.

As previously stated, this area needs additional federal assistance and commitment from the federal government regarding public works and infrastructure framework creation.

I live in a small town of about 450 people and we have recently tried to secure a wastewater treatment program in that community. And with some success, we were able to get a 75 percent grant and 25 percent of that project had to be funded through a low-interest loan which of course, again, the folks in the community were very glad to have available to them. But in the end, having to borrow that 25 percent money for that I think little over two million dollar project meant that the residents of that community were going to have to pay somewhere between $30 and $40 per month for a user fee, which needless to say, if your income is 300 bucks a month and you are on a fixed income, that is a substantial amount of money to have to try to retire that loan. In addition, you are talking about a small town with a budget of maybe $30,000–$40,000 per year, trying to retire or help retire that kind of an overwhelming requirement that they just cannot—either struggle to meet or cannot meet. So what we have in place sometimes does not meet the need because as Jerry mentioned, even if the program is there, the community does not have the ability to repay those 25 percent matches that may be available to them.

So in closing, again I would like to thank the Committee for coming to southeast Ohio to give us an opportunity to share with you our concerns and our perspectives. There are things that I think the federal government can do and maybe should do, and I think one of those things has always been mentioned and that is to try to apply whatever gentle pressure you can to release that Highway Trust Fund that is there and also to look at something along the concept that used to be the old federal revenue sharing where monies can come directly again to the local communities to help them begin to directly fund some of the needs that are there.

And with that, I thank you very much for this opportunity.

The Chairman. Thank you.

Our next witness is the Honorable Rob Burch, State Senator from the 30th Senatorial District. Rob.

Mr. Burch. Thank you, Mr. Chairman, members of the Committee. I am appearing here as a State Senator representing five counties in eastern Ohio; Tuscarawas, Harrison, Carroll, Columbiana and Jefferson. I am speaking from the perspective of our State of Ohio in general and in particular those of us in eastern Ohio.

I also would like to thank you and the Committee, Congressman Mollohan, especially our Congressman Doug Applegate, for your leadership in bringing this Committee to eastern Ohio to hear about our problems first-hand. I would like to ask your indulgence for about 30 seconds to digress from the specific topic of this hearing.

As was indicated earlier, you are meeting here at a time of great tragedy and crisis in eastern Ohio. A little over a month ago, of course, the tremendous flooding and death, overwhelming tragedy in Shadyside in Belmont County, the devastation in Harrison and Jefferson Counties that does have an infrastructure component. Just within the last two or three or four days, we have seen that same kind of tragedy revisit Belmont and Harrison and Jefferson Counties and expand into Columbiana County.

In addition to the general subject of infrastructure, I would request that you mention to the appropriate committees that I think perhaps some oversight in our emergency management services is greatly needed as well. We have, in this time of tragedy, come to realize first-hand—and perhaps that is the only time you see it—that there can be some improvements made in the way that we deliver emergency management services. We have got to cut down on the red tape, we have got to cut down on the bureaucracy. We have got to recognize the need for emergency response. And I am not obviously directing this to you, and I am not generally complaining. We appreciate the help that has been given, but at a time when we read about deregulated savings and loans and the idea that someone with a $1,000 investment can get almost a two billion dollar federal handout or authorization or borrowing ability and authority using the full faith and credit of the government, I think that perhaps we could be a little bit more responsive to these citizens that are in such dire straits, and make those dollars available on a little bit more of an expedited basis.

This is not the time, this is not the Committee, this is not the hearing, but if you could bring that message back—and I know Congressman Applegate in particular has been very outspoken in working with the mayors of Dillonvale and Adena and Shadyside and other communities that have seen the need to respond with a little bit less red tape and a little bit more compassion under these circumstances.

I am not going to talk about specific projects. You have heard from the State Representatives, you will hear from our county engineers and commissioners.

I would like to speak first about eastern Ohio and then two general recommendations for some things that you can do specifically at the federal level that would help us.

Historically, as has been mentioned, eastern Ohio has been one of the primary industrial engines that built this country into the economic power that it is today. For years, we sent our tax dollars to Columbus and Washington and when times were good we were willing and happy to do that, to help other less fortunate parts of the country.

The last decade has not been good for eastern Ohio. We in eastern Ohio have not shared fully in the economic recovery that we have seen in other parts of the state. We in eastern Ohio now need that kind of specific targeted direct assistance from federal and state governments, and particular in the area of infrastructure that is really a key component of economic development.

There is no greater economic tool than a well-placed highway and items like railroads and airports, sewer systems, waste treatment facilities—these are the building blocks of economic development and that has to be our top priority in eastern Ohio.

As I said, I would like to speak generally. In past years, in past decades, in many areas of public policy, including infrastructure development, we have had a federal/state/local partnership. Unfortunately, in my view, the decade of the 1980s—and it has not been from this Committee but frankly from the Executive—has been in retreat from that historic partnership. You have been withdrawing. Again, the Executive has led the retreat and withdrawal from that historic partnership.

My first general recommendation is that the federal government must reclaim its role as a full partner with state and local governments. Do not just tell us jointly with us what we should be doing or have to do, help us raise the money and provide the funds to do the job.

I would request that you move to restore the levels of funding in past years and also the percentages of funding that you provide in federal participation. And I know these have been cut in almost all areas of public works and infrastructure development.

As has been mentioned, we in Ohio, I think perhaps more than any other state, have done our fair share. We raised taxes in 1983 to balance our budget and put our economic house in order, providing a foundation for growth in the remainder of that decade. We raised state gas taxes twice in the last four years. As you know, that is not easy. We have increased the percentages going to local governments, we have allowed local governments significant authority to raise their own license plate fees, which gives them more revenues to work with in highway and bridge construction and maintenance. Again, you have heard about Issue 2, the $1.2 billion Constitutional amendment that Ohio voters passed overwhelmingly in 1987. There is no other program that I am aware of in any state that is comparable, either in the size, the magnitude or in the focus exclusively on local government projects and priorities. Those are not state projects that are being funded. Those are all dollars, $1.2 billion, going direct to local governments over a ten year period. And we have done a number of other things to put funding mechanisms in place, particularly in the area of environmental protection.

We in Ohio are doing our part, but we need the full participation of our federal partners if we are going to accomplish the job that has to be done.

Having outlined what I think are our Ohio accomplishments, having made a general recommendation that you join with us again as full partners in addressing these problems, let me mention two specific things that frankly would not cost you any additional money, but that I think would be of great assistance. And again, I am kind of preaching to the choir and repeating what others have said.

First, take action at the federal level to address the federal budget deficit. In the long-run, that will make us a stronger, healthier country economically. In the short-run, it will release the pressure to withhold those highway and airport and other trust fund dollars that are artificially masking the federal budget deficit. You have heard, we need those dollars. I assure you they will be well spent.

Second, where appropriate, take—and again speaking from an eastern Ohio perspective of economic distress—where appropriate take into consideration the economic distress of the region or state in determining where your limited infrastructure dollars are going to be placed, and the way, the manner in which they are going to be utilized. Obviously we all need more money. We know there are dollars that are limited, but in targeting those resources, I would request—again speaking for my own particular bias as a representative of an economically distressed area—take those economic factors, unemployment levels, poverty, these indications of financial difficulty that have been referred to, take that into consideration in deciding where to put those dollars, number one, and number two, the way in which they are made available. As Representative Secrest mentioned, grants and low interest loans are much preferable and much more usable to us than market-rate loans or other kinds of funding mechanisms that we may not have the ability to utilize.

In conclusion, again economic development and job creation is our top priority because of the distress we find ourselves in. And your focus on infrastructure development is perhaps the critical component of that. I do appreciate the opportunity to be here. I know you hear all of our problems. We appreciate what you have done and the leadership that you have provided and we would encourage you to continue to move in the direction that you are, in the area of the Highway Trust Fund and the other efforts at the federal level that you are mentioning.

I appreciate your taking the time to make the trip to eastern Ohio to share these moments with us. thank you.

The CHAIRMAN. Well thank you, Senator Burch and before we ask our questions of this panel, I would like to present Congressman Mollohan.

We have been joined by an outstanding colleague from just across the river, Alan Mollohan. Alan serves in Washington on the powerful Appropriations Committee and has been a champion of efforts there to assist the people of this region as you strive to revitalize your economy, something that can only occur as you rebuild your infrastructure. Alan, I am pleased you could join us and add your expertise to these proceedings. Would you like to have a few minutes or make a little opening remark there before we ask questions?

Mr. MOLLOHAN. Only to thank you, Mr. Chairman, for inviting me to participate in your hearing today. When Congressman Applegate called me, I of course very much wanted to and he was very kind to include me in his hearing here and invite me to participate with you on this panel, as he always does because he has a terrific spirit of cooperation, he understands that is how we best get things done.

Let me take this opportunity to thank you publicly, Mr. Chairman, in our home territory for your being receptive to our needs. I can remember about six years ago when I was a pretty new Congressman at that time, I talked with Congressman Applegate about our Weirton bypass and the bridge projects up there, and he said well you need to go talk with Chairman Anderson. So I went to Chairman Anderson and sat down and told him our plight with regard to the bypass and how we needed a little push there. And he granted our request for a primary priority highway designation which I think is helping us mightily and I just wanted to thank you publicly and this is a good opportunity to do it.

Thank you for allowing me to be a part of your hearing today, Mr. Chairman.

The CHAIRMAN. I wrote a couple of things down while each of you were talking.

Senator Burch, regarding federal emergency response, let me say that our Subcommittee on Investigations and Oversight has been examining, even before the Shadyside tragedy, the effectiveness of FEMA—that is the Federal Emergency Management Administration. We are now, at Congressman Applegate's urging, redoubling our efforts in this area.

Mr. BURCH. Great.

The CHAIRMAN. So we are working on that.

Mr. BURCH. I do want to apologize for raising it at this time, but it is not often that we get the chance to talk to—although we see Congressman Mollohan and Congressman Applegate regularly—we wanted to take this opportunity and I am glad to hear that Congressman Applegate, as usual, is far ahead of us. We appreciate that.

The CHAIRMAN. Then you have passed a state gasoline tax increase and I might just throw out to you when they ask you questions, what is your position on a federal gasoline tax increase. And first, what is your position if the new additional revenues are used for improving transportation, and second, what would your position be on a gas tax increase if the revenues are not spent, but instead used for deficit reduction as some are proposing. I would like to have you—I think I know how you stand, that is all right. [Laughter.]

And Representative Krupinski I believe testified that more federal assistance should be channeled directly to local governments, bypassing the state. And that is not a position we always hear from state officials and if that is a position that the rest of you would advocate, you might mention that as we start out with our questions here.

My general questions for the panel of state legislators—as state legislators, what priorities do you give to public facility projects and how do you see their impact on the economy and development within your state. And second, how do you see the financial burden being shared by federal, state and local governments, which kind of overlaps with a couple of others. So you can start anywhere you want. Those are my questions, then we will hear from Doug and then we will hear from Mollohan.

Mr. CERA. I guess I will start.

The CHAIRMAN. Well C always comes before B anyway.

Mr. CERA. I was always a good lead-off hitter in baseball.

On the—to start out, I think I mentioned in my testimony on the gas tax, you know, I think all of us have voted for the state gasoline tax, I know I have always. And one reason why I feel that I am able to do that is because we can show a direct benefit. That is one tax that we can pass that people actually see construction occur and see their dollars coming back into their areas. As an example, the project that has been mentioned today, the Bellaire Route 7 relocation here just a few miles down the road from here, is a 50 plus million dollar project in a town of 8,000 people, and it has been on the books for 50 years. We are very happy to be able to have that project going. So I think that when we do gasoline taxes, we feel comfortable when passing those, knowing that they are going to go to highway construction and bridge repair and construction. I think, however, if we on the state level would try to convert—which we cannot constitutionally, but if we tried to convert—divert some of our gas tax money to other things, we would end up in the Ohio River as elected officials. And I would think that Congress would probably have the same response given to them by their constituents, these are taxes that are paid for people to travel the highways and as somebody who buys a lot of gasoline, I certainly like to know that that money is going to go to improvement to those highways.

So I would hope that it would not be used to reduce the deficit. And if that is the mood that the administration has, that it should go to that, then I think that there should be no gas tax increase at all, because what that does is hurt us in our own efforts in trying to raise taxes.

One reason we were able to get the votes to pass our gas tax is that we kept hearing from Washington there is going to be a gasoline tax of anywhere from 10 cents to 25 cents a gallon. Well the urgency of that helped push our gasoline tax through. But I think if you are going to pass it, use it for the infrastructure needs of our highways.

The impact of these projects is great. We have an area that has steadily declined due to reduced employment, mainly in the coal industry, that has caused a great many people to leave the area and to be displaced and placed on public assistance. And we are looking at our transportation needs, and especially as an example, the Bellaire project, acommunity that has drastically lost population. While it has lost additional population because of the relocation of this highway, we view it as a way to rebuild the city once the highway construction occurs.

So I think that it is vital for economic development; not only highways and bridge repair, but also sewer and water. The problem we are facing—we are talking about communities, for instance in my District, there are only three cities in my District, the rest are towns, villages and unincorporated areas. So therefore, most population centers are under 10,000 or in most cases under 5,000 people and it is difficult for those small communities to bear the burden of these projects, whether sewer or water or whatever, because they just do not have the money to come up with.

Bellaire, as part of its share of that project is looking at probably having to eventually pay nearly two million dollars for—as its share of the project, when you are looking at a community that has a general fund budget of $900,000 a year. You can see that it is very difficult to come up with that type of funding locally to do those projects. However, if we do not have those projects, there is no opportunity for growth.

So I think if anything can be done to address—and I think on the state level we need to address how we can maybe change our own laws on how we view these small communities and helping them pay their share on these projects because they are simply out of the reach and these are projects that are much needed. However, even if there is state and federal money available, if there is no local money available, we have run into a barrier there and we need to address that.

The CHAIRMAN. Mr. Krupinski, do you have some comment?

Mr. KRUPINSKI. Well first of all, with my recommendation on the federal revenue sharing coming directly to the communities, you did not get any resistance from me not putting it through the state, because as I recall the state gets a portion of that revenue sharing as well. They get a direct allocation, as well as the local communities. You know, when I mentioned revenue sharing, that is basically what I had in mind. But if it were to come directly to the communities and not through the state, I would have no objection to that, because whatever funding you folks on a federal level can send down to our local elected officials and communities, that is that portion that we do not have to worry about as state legislators and state government.

As far as the gasoline tax increase, you would have a hard time convincing me of the need for a gasoline tax increase when there is $18 billion plus that we are having a hard time turning loose.

As far as balancing the budget with a new gasoline tax, there is no way that I would even consider supporting such an idea. I think it would certainly be detrimental to areas line mine, states like Ohio, who as I mentioned in my statement have not caught up with economic resurgence as other parts of the state.

My priorities as far as infrastructure projects, I could think of some right now, communities—one community in particular that was affected by the recent flood, it is an unincorporated area, new town. These folks have a very unique problem in that they have no sewage, they have no water. There are 59 homes in that little community. All 59 homes were underwater, at least the basements, for an extended period of time. It had the result of contaminating their water, with their own, malfunctioning to begin with, sewerage collection plant. They now, even at this moment, some 30 days after the flood, their water supply is contaminated. If I had it within my power I would combine ARC funding—the county commissioners have shown an indication to use their community development block grant funding to go toward that project. There is still quite a gap to be filled and I would like to see state and federal dollars used to fill that gap and give those folks the help that they need.

The CHAIRMAN. Mr. Secrest.

Mr. SECREST. Thank you very much again, Mr. Chairman.

I guess I will start off with my remarks about the increase in the gas tax and then using that for deficit reduction purposes. That issue to me is like others where a tax is either levied or collected for an express purpose, and then to use that for something else, when the need in that area is obviously so great, is just a matter to me of public deceit, that you impose a tax for one purpose but you do not use it. You hold it back and you do something else with it. My recommendation I guess would be rather than try to manipulate the deficit, is to do something directly and bold about it and hopefully take care of that issue and then those things that are being held can be used and redirected back for the purpose for which they are being collected. So I guess in essence I would oppose any kind of collection of a gas tax for the purpose of budget balancing.

The other issue, and it is the kind of follow up on something Representative Krupinski raised, which in my testimony I kind of alluded to that I support also, was the idea of money going directly back to the local governments. Some of that I was speaking to was in terms of water and waste water monies, not just highway monies coming back to the local. But also, I think the state has a greater ability even to raise highway funds and address those kinds of issues than some of the local governmental entitles have the ability to do. so I would rather see us trying to take care of our needs and then you helping us take care of the political subdivisions underneath the state, and in the sense of a partnership kind of an effort.

On the other hand, the issue of how important this is to us—and I think we have all, in our initial testimony, kind of touched on that, and I think maybe Senator Burch had one of the best lines I heard any of us give and that is "a well placed highway is one of the best economic development tools that a community can have," which I would reiterate and I think that is a point well taken.

In addition, the public health issues in terms of wastewater and water treatment projects, and the environmental impacts of sewerage leaching out into the water table in rural Ohio and other parts of the country—I mean it is kind of self-evident, the positive impact of taking care of those kinds of problems.

And so with that, I would say continued funding, continued partnership of the state, the federal and the local political subdivisions working together on these issues, infrastructure issues, is extremely important. And I will, in closing, again applaud you folks coming to this area of the country and allowing us to share with you our concerns so we can hopefully move forward in a collective effort to address some of these issues.

The CHAIRMAN. Mr. Burch.

Mr. BURCH. I will just say "me too". I agree, particularly on the gas tax, with everything that has been said.

There may be reasons like conservation or efforts to redirect some of our reliance on various transportation means that we might want to look a federal gas tax increase, but I certainly would hope that it would not go for deficit reduction. We have needs out here that have to be met. If for conservation purposes or other valid purposes, you think a federal gas tax increase is in order, let us use those dollars for roads and bridges and mass transit, and not have it used to offset a federal deficit that ought to be addressed in a more progressive and more dramatic and more effective way.

In terms of the type of federal help, again I think I made my general point that we need you to again become the full partners and the real leaders that you were for so many years until the philosophy of retreat and federal abandonment seemed to take hold in the Executive Branch, beginning around 1981 I think, if we had to pick a year to begin counting from.

As an example of the type of help we do not need, I would point to the March, 1990 new transportation policy from again the Executive Branch that tell us what we already know, and it was an outstanding statement of our multi-modal transportation needs and we do join you in recognizing those and we want to work jointly with you, but when the—again when you then go on to recommend cutting federal participation levels, increasing state and local government money, decreasing federal money, thanks but no thanks. We just cannot use any more of that kind of assistance frankly. And I would hope that that report by Secretary Skinner is not illustrative of what some of the other departments are going to do in terms of how they approach their jurisdictions.

We need your help. You have provided great leadership in the past and we need you to again join with us in not just planning and identifying, but paying for, the improvements that we need.

And I again thank you for coming here this morning.

The CHAIRMAN. Mr. Applegate.

Mr. APPLEGATE. Thank you very much, and I want to thank each of you for coming to the Committee and very eloquently outlining what I think is a pretty general theme, and talking about economic development and jobs, transportation and health and the full partnership of the federal with the state and local, which I think is very good.

You have all sounded the theme and frankly I want to commend you. I want to commend the legislature for really assuming the responsibility and not only—you know, the old thing about you practice what you preach, and this is what you have done. You have raised the taxes, in light of an era when people are just opposed to any kind of taxes, I think it was a courageous thing to do, but the dollars are coming back and they are seeing that they are being spent, and that is what people basically want. And they do not want the idea of the federal government looking at the idea of increasing the tax, which there have been proposals of 25 to 50 cents per gallon of gasoline, which is the most ludicrous idea I have ever heard of, and using that for deficit reduction. If we do that, then we can kiss it all goodbye because people are going to be so disgusted and they are going to say whatever happened to the integrity of this country and to the promises that were made that this money was going to come back and help in our infrastructure, and here we are going to try to balance a budget deficit which has been building because of the ineptness of the administration, and the fault of Congress too.

And so I do not think we can continue on that line. So I would just commend you for your responsible judgments that you have made and I think you have done a very good job. My compliments.

The CHAIRMAN. Mr. Mollohan.

Mr. MOLLOHAN. Thank you, Mr. Chairman.

I just again appreciate the fine testimony here from Congressman Applegate's colleagues.

I would like to ask briefly—oh, first of all, I would like to thank Jerry and Rob for your support of the Weirton—the rest of you fellows do not have a particular interest in the Weirton bypass—for your understanding of how important that linkage is to the airport for economic development in our area.

I would like to ask any and all of you, where do infrastructure public works projects, water and sewer, bridges, not to mention airports, rank in your priorities, as you assess the needs of your communities? And to the extent that it ranks high and you think that we need to invest additionally in that area, where do you feel the funding should come from for additional infrastructure investment, and what should be the share between federal, state and local in that funding responsibility? Any of you?

Mr. KRUPINSKI. I will start off, Congressman, we will start with the K instead of the C this time.

My response to that would be that I think in this case quite possibly the federal government could take a page out of what the State of Ohio has already done. We did offer legislation to put on the ballot a Constitutional amendment allowing for what turned out to be what we call Issue 2 funding, which is $1.2 billion, money that would go to our local, strictly local, infrastructure. Quite possibly the federal government could do something very similar to that. You folks are in a position to know your budgets better, the obstacles that you do have to overcome, so I do not think we are in a position to even suggest how you should go about doing that portion of your job.

One thing I would like to reiterate though would be opposition to that additional gasoline tax to balance the budget. It might be—you might be interested to know, Mr. Chairman, and I am sure it would be similar in California, maybe more, but one penny of gasoline tax in Ohio generates over $50 million. Now we have been referred to as a donor state several times already today. We are no longer in a position to be a donor state. You are talking in terms of a 50 cents gasoline tax increase, that is over $2.5 billion that the State of Ohio taxpayers would be contributing to balance the federal budget. We are not that crazy and we will resist that as long as we can.

Mr. SECREST. I would just comment briefly. You had asked the question about the importance in a kind of a priority ranking of infrastructure. To me—I am not going to say it is the most important, but it sure ranks up there because I think if you do not have adequate infrastructure place, a transportation system to move goods in and out, and a water and wastewater treatment system to handle that kind of a program in your communities, then all other development hinges on those things being in place. And almost any economic development person in Appalachia Ohio you talk to or you work with, is focusing on those kinds of things to begin the foundation to build on to bring economic development and vitality and prosperity to Appalachian Ohio.

So—I mean, I do not think from our perspective in this area of the country that there are too many things that are more important than funding and appropriations for infrastructure improvements.

Mr. BURCH. Congressmen and members of the Committee, I guess I see two aspects when you talk about where it ranks in importance, infrastructure in general. The increasing demands of the Environmental Protection Agency, the increasing standards that we all share and applaud if we had a way to pay for them, if we had the means to meet them in our economically depressed part of the state. We have to get the ground water protection, we have to get adequate solid waste disposal facilities, we need sewerage treatment and wastewater treatment to be upgraded, but we need the means to pay for it and we have to be realistic about that.

But frankly, from our perspective, the health and safety component is absolutely critical, but we are forced, because of the state of our economy and what has happened over the last ten years—and I think this part of West Virginia is not much different—we have got to be concerned about the economic development aspects. And all things will follow. If we can get people working again and paying taxes instead of relying on the safety net of services, we can take care of our environmental needs and we can do all the other—our health needs, our housing needs, our education needs, all will follow from economic development. And I think, from my own perspective, that has to be our top priority. We are force as representatives of these kinds of counties in eastern Ohio to think about job creation and retention first and the problems will flow from that.

I guess in terms of the prioritization, it is an absolutely top priority with us and I think again as Congressman Applegate mentioned, we have tried to practice what we preach in the Ohio General Assembly. It is not easy to raise taxes, gas taxes twice. The people support what we have done and I think the dollars that are flowing back into the communities with the infrastructure program demonstrates that people are willing to pay for the services that they want, if they see those services being provided. It is only when they see the money going down some black hole that never seems to materialize back in their area or their county or their village, that there is this general resistance to paying another penny. And frankly, who could disagree with that. If you do not see the benefit, who wants to pay any costs.

Mr. **Cera**. I would just add that if you view infrastructure as part of—our main need, as you know, is the economic development and creating jobs for our people. And I guess if you could view infrastructure as part of that, then it would be the top priority that we have, you know, with our winding roads, and the old saying "you cannot get there from here", and you have the same problem in your District in West Virginia where distance is measured in time and not in miles. We have needs for improved roads, so we can open up our vast areas that are there for—that could be developed, great numbers of acres of land that could be developed for want of new highway systems that can bring people into our areas.

I think in the area especially of sewer and water, for the small communities, the problem is that local share that they have to come up with and the burden it has placed on the citizens to be able to pay for those. In a large city where the costs can be spread over hundreds of thousands of people, it is less of an impact. But as has been mentioned, when you are talking about communities of a few hundred people having to share the cost of a couple million dollars, that two million dollars might as well be two billion dollars. So even though our dollar amounts of our projects are a lot less, when you spread them over the few people that we have, they have such a severe economic impact that there needs to be some greater assistance to these small communities.

The **Chairman**. Mr. Mollohan.

Mr. **Mollohan**. That was the point I kind of wanted to get at. As Doug and I work economic development, the key ingredient—and this is definitely preaching to the choir, because this Public Works and Transportation Committee is going to become—you are looking at the Committee of the future in my judgment, because of the infrastructure deterioration and this country getting around to the realization that we are going to have to build—this Committee is going to be of tremendous importance.

As we look at economic development, it is that infrastructure investment that is the fundamental, and it is so very difficult in our area to do that, because where it costs a dollar to build a road in the south, it costs a hundred dollars in our area to do that, and that is true with water. We are blessed with water, but sometimes we have too much of it, so we need flood control projects, we need those roads and bridges. It is that difficulty of the local communities to stand that percentage cost share that is so difficult in our area. And that is the nut that we have to crack and that is I think of special consideration to areas where infrastructure costs so much more.

Thank you.

The CHAIRMAN. Well, I want to thank the panel for an excellent presentation.

Our next panel consists of four county commissioners, a county engineer and a mayor. The county commissioners are the Honorable Bob Olexo from Belmont County, Honorable Glenn Dierkes from Monroe County, the Honorable Stuart Henderson from Harrison County, the Honorable Tom Laughman from Guernsey County; Howard Stitt, the Harrison County Engineer and Mayor Edward Bowman from the City of Weirton in West Virginia.

Gentlemen, we will try to work you in to the table there and we will question you following your testimony.

Bob, I introduced you first, we can start off with you, but you can make that decision up there. Bob Olexo.

[The prepared statement of Mr. Cera appears on p. 482.]

[The prepared statement of Mr. Krupinski appears on p. 503.]

[The prepared statement of Mr. Secrest appears on p. 581.]

[The prepared statement of Mr. Burch appears on p. 477.]

TESTIMONY OF HON. BOB OLEXO, BELMONT COUNTY COMMISSIONER; HON. GLENN DIERKES, MONROE COUNTY COMMISSIONER; HON. STUART HENDERSON, HARRISON COUNTY COMMISSIONER; HON. TOM LAUGHMAN, GUERNSEY COUNTY COMMISSIONER; HOWARD STITT, HARRISON COUNTY ENGINEER; AND HON. EDWARD BOWMAN, MAYOR, CITY OF WEIRTON, WV

Mr. OLEXO. Congressmen, distinguished Committee members and Doug Applegate—my own Congressman—thank you from all of us for coming to eastern Ohio and the Ohio Valley.

I have presented for the record a document giving specific infrastructure needs for Belmont County, that was presented earlier, but I would ask you to allow me to make my several moments an overview rather than going through that document.

My overview would be the needs of both Belmont County and some remarks on the region, as I see them.

During my 12 years as a county commissioner and presently as President of the Board of Belmont County Commissioners, I saw and experienced the collapse of our basic industries, coal and steel. I saw double-digit inflation and unemployment. In the late 1970s, we had the gas shortage, the astronomical increases in both gas and oil and related by-products, and the end of Belmont County's road paving and repaving program.

For almost eight years, an already old infrastructure; roads, bridges and water and sewer, became older by neglect because we could not maintain and repair them. Funding—federal funding such as federal revenue sharing, ceased and the hole became deeper. Eight years later, starting in 1985, we the Board of County Commissioners enacted the half cent piggy-back permissive sales tax allowed us by the Ohio legislature. Part of that went to roads and bridges. The State of Ohio followed with gas tax increases and Issue 2 funds. Finally again, we were able to begin to do some repair work but it truly has been a small percentage of the need.

Not only have I served as Belmont County Commissioner and President of the Board, but during the past six years, I also served as a member of the Ohio River Valley Development Task Force chaired by Senator Burch, and as such, I chaired the Industrial Development Committee of that task force. I have served as the First Chairperson on the District 18 Public Works Integrating Committee, which included ten counties in southeastern Ohio.

From these experiences, I have learned and have concluded that our future, our future development and success, depends almost exclusively upon meeting our infrastructure needs.

First of all, our infrastructure dates back, in large, to the 1930s and 1940s and 1950s. They are old and they are worn. I am talking about all of them; roads, bridges, our water and our sewer. Recent flooding, of course, has further complicated that situation.

Secondly, when our economy changed and almost collapsed, two things happened. We further neglected our infrastructure so that it became in more disrepair and in order to correct the economic plight, new infrastructure not perceived to be needed before became a necessity. For example, the development of industrial sites with water and sewerage, the Ohio River development with new access to the river, port authorities, additional highways especially north and south.

Thirdly, additionally our survival is clearly tied into regional survival and regional success. This regional development plan clearly calls for:

(1) again the development of the Ohio River recreationally and industrially. This first and foremost means improvement of the locks and dams all the way from Pittsburgh to the Mississippi River, an important but expensive undertaking.

(2) taking advantage of Interstate 70 by opening up Monroe County through the improving of Route 800 to the interstate and Route 7 through Bellaire, and opening up Harrison County through the construction of Route 250 from Cadiz to the interstate.

(3) completing the Appalachian highway.

(4) completing bridge projects and improving bridges between Ohio and West Virginia on the Ohio River.

(5) expanding water development and sewer projects throughout the region, not only to improve the quality of life for our citizens, but to open up parts of the region to development and to protect the environment in the region and in the Ohio River.

Obviously the problems are many. One solution would be additional federal funding through a gas tax that would make funding available for infrastructure and additional funding in such areas as EPA, EDA and ARC. It would also help to rethink many of the restrictions, conditions and local shares attached to these funds.

Gentlemen, thank you.

The **Chairman**. Thank you, Bob.

Before we proceed, I would like to remind the panel of the Committee's need that you restrict your oral presentation hopefully to roughly three minutes each, followed of course by our questions. As I said earlier, your entire prepared statements will be made a matter of record for this meeting.

Again, I do not know which way I go, to the B or the D—Mr. Dierkes, you happen to be the second one on this list here, so why do we not listen to the Honorable Glenn Dierkes—I like that first name too. [Laughter.]

Mr. **Dierkes**. Thank you, Mr. Chairman, Congressman Applegate, Congressman Mollohan and others with us today.

It is a true pleasure to have this opportunity to address this Committee in regard to infrastructure needs of Monroe County and the surrounding area.

In many respects, the infrastructure issue has been discussed many times by many groups, especially over the last five years. And these plans and reports are readily available and should be viewed to supplement my remarks.

Economic development is driven by infrastructure or the lack of it. Some counties are doing well others are suffering. Monroe County has been suffering for many years. We have lost 20 percent of our work force in the past five years and are projected to lose greater than 10 percent of our population between 1980 and the current census.

Transportation. Monroe County has critical needs for highway improvements. We have no federal highways within our boundaries. Of the 200 miles of state highways within Monroe County and other than routine bridge replacements, no major state construction has occurred since the 1955–1965 era. The most recent county construction engineer estimate of funds needed to completely revitalize Monroe County roads and bridge system is $8,750,000.

Water and sewer. Monroe County's water and sewer needs are as large as its transportation needs. Although between one-third and one-half of our population now has public water, less than one-half of the geographical area has public water service.

The situation with sewer is even more pronounced. Four-fifths of Monroe County's population does not have public sewage. The high percent of fixed-income elderly residents would have a hard time justifying their monthly bills on these public systems. Although the federal government does not seem to want to expand social programs, a program modeled after the Rural Electrification Association, only directed at water and sewage, would be of a great benefit.

I have addressed infrastructure and transportation needs, both regional and county-wide in my full report which I have submitted to your Committee earlier.

This has been my pleasure, and in closing, while I have a chance, on behalf of Monroe County I wish to thank both the state and the federal officials for the assistance you have given us to help recover from damages occurring as a result of the June 14 floods. Agencies, including FEMA, the Corps of Engineers and ODOT, along with the Ohio and U.S. legislatures have our respect and thanks for the assistance they have given.

Thank you.

The CHAIRMAN. My third one on the list is Stuart Henderson, Harrison County Commissioner.

Mr. HENDERSON. I would like to welcome you to this area and appreciate the chance of having our county representative here. Thanks, Doug, for inviting us.

We are located like in a mining community and agriculture, and since the mining has dropped down a lot, it has hurt our economy a lot in our county. And also I believe—I am going to go away from a little of this and not talk too much because Howard is here and he has some figures for us—and say that I believe as far as federally funding things, maybe we should stay to the larger ones like Issue 2 has gone to, if you throw back to small things, you may not get as much accomplished, I believe.

And there should be a lot come down—maybe when they give the money, maybe they should see where it is going to and see that the money is getting spent properly.

Let me see what else—I believe for our county, we need—the communities that do not have any water and sewer at this time are kind of left out on the Issue 2 money and it would help a lot if we had funding for communities that cannot afford them and also are not covered under this.

I believe that is all I have right now, maybe Howard will have a little more.

Thank you.

The CHAIRMAN. My fourth name down here is the Honorable Tom Laughman, Guernsey County Commissioner.

Mr. LAUGHMAN. Thank you, Mr. Chairman, members of the Committee, it is my great pleasure to have been asked to appear before you here this morning.

As Commissioners of Guernsey County, Ohio, we do not feel we are qualified to address the needs of the nation's infrastructure as a whole; however, I do think we are quite well qualified to address the Committee concerning the needs of a rural county such as Guernsey.

We are presently facing the problem of a deteriorating infrastructure and the lack of means to address that problem. Not only do we in Guernsey County have a problem with maintaining existing infrastructure, we are also faced with an era of mandates in which authorities of the state and federal governments require us to make large additions and improvements to our infrastructure, for which we face the same problem of a lack of adequate financing.

The first particular item of infrastructure I would like to address is one which the people of counties such as Guernsey County, Ohio are acutely aware of. The problem of which I speak is the maintenance and improvement of a county road system.

Guernsey County, Ohio presently maintains 408 miles of county roads, 380 bridges and ditches and culvert too numerous to mention here today. At the same time we must provide for the maintenance of this extensive system of roads and bridges with funds derived almost exclusively from taxes on gasoline and license tags.

The present budget for Guernsey County's Highway Department is approximately $2.26 million, of which about $890,000 is derived from the gas tax and $1.2 million is derived from the license tag tax.

The gas tax is collected by the state and fortunately is divided equally among Ohio's 88 counties. Unfortunately, however, the license tag tax is divided among the counties in proportion to the number of tags sold in each particular county. The result of this is a glaring disparity between the amount of money a rural county is given to maintain its roads and bridges compared to the amount of money given to urban counties to maintain their county system of roads and bridges. For example, as I have already mentioned, Guernsey County maintains 408 miles of county road with a budget of $2.2 million. In comparison, Cuyahoga County, which has only 40 miles of country road to maintain has tens of millions of dollars with which to maintain these roads, because they sell hundreds of thousands more license tags in Cuyahoga County than in Guernsey County.

We, the Guernsey County Commissioners, took the politically risky step of imposing an additional fee on the cost of license tags last year. But even this generates only a small amount of additional revenue for the maintenance and improvement of our county roads.

Also, state Issue 2 has provided us with some small relief for our infrastructure financing needs, some of which we use on the county roads. The problem remains, however, that rural counties like Guernsey County are faced with the problem of maintaining and improving hundreds of miles of county roads with funds grossly insufficient for the task.

Another problem I would like to briefly touch on facing Guernsey County is that of delivering safe, quality drinking water to our residents. Presently in Guernsey County there are numerous villages and hundreds of families in the unincorporated areas who have water which is distasteful and unsanitary and inadequate in supply. Every day we hear from citizens who rightly complain that they have a lack of water or poor quality water from their wells. We agree with them, that in modern American no one should go without an adequate supply of safe drinking water. The problem is, how does a rural Board of Commissioners finance the millions of dollars that it costs to extend safe drinking water to the periphery of our county?

A third problem that we face in Guernsey County is that of wastewater treatment. Recently, with the assistance of our Health Department, we compiled a list of what we refer to as hot spots—those residential pockets and communities in Guernsey County that are in need of wastewater treatment. That list produced more than 25 hot spots and I know there are other areas in the county that we have not yet counted.

Recently the Ohio EPA mandated that we install sewer systems in two communities in the unincorporated areas of Guernsey County. We, the Guernsey County Commissioners, did not object to these mandates because essentially that the need to provide sewer to these two particular areas exists. In fact, as I have already mentioned, many more than these two areas are in need of sewer in Guernsey County.

We are presently investigating the means by which we can finance the installation of these two mandated sewer projects. We feel that we do have the bonding capacity to finance these projects, however the question remains, how will Guernsey County finance the mandates which are sure to come in the future, to provide sewer to the other affected areas in our county when our bonding capacity has been used up.

In closing, I would just like to say again on behalf of my fellow Commissioners, I appreciate this opportunity today to address this body. Thank you.

The CHAIRMAN. Thank you very much, Tom.

At this time, I will recognize Howard Stitt, Harrison County Engineer.

Mr. STITT. Thank you. I am like Doug, I get all choked up I guess when I get asked to talk.

Thank you, Mr. Chairman, members of the Committee. I will try and keep this very brief.

Probably working with Issue 2, which Ohio passed, I am the chairman of the local committee for the eight counties and also on the Small Governments Commission, the biggest thing I can say about that is it is a great thing but there is not near enough money. We are addressing three to five percent of the total need.

In our area, it has made a major impact. We have probably got more than our share because we need more than our share and it has come back but it is still well under the needs of the total state. I caught a lot of flack because our district got two million of the 12 million of the small governments, but that just re-emphasizes the need is there. We were competing statewide and yet we were able to compete well because, you know, the other areas of the state are in a lot better shape.

Economic development—Harrison County has worked hard. We have got 500 acres that the coal company has given us, we have two industries going in there now. We built a highway through it, we are seeking federal assistance to pave that highway, which I am sure we will get. Again, our highway system is like the rest of them, we have a terrible lack of money. We are the smallest county in the State of Ohio, therefore, we get probably—we are right down there at the bottom of the barrel as far as license plate money that comes in. There is not enough to do what you have to do. And as mentioned before, if you have a bad winter, you spend all your money in the winter on salt and you have nothing left for the summer. This year we are spending it all on floods. If the people from FEMA are telling me correct, we should come out of that all right. We have met with them and so far they have been—while it took them a long time to get here, we have met with them and things are looking good in that direction.

Federal highway funds that do come down, the only complaint I have as a rural county engineer, many times the regulations that not only the feds and the state put on them, it is cheaper for the county to do it themselves than to participate in the federal program. An example, about four years ago we had a bridge project, all we wanted to do was replace a bridge that was narrow, had like a 10-ton load limit on it, the alignment was reasonably good, the feds and the state mandated that we improve 300 foot on one end, 200 foot on the other end. We ended up scrapping the whole plan, put the bridge in with our funds for less than the 25 percent that we had to match the federal dollars. Therefore, the federal dollars are there and sometimes it is not worth trying to go after them. I think the regulations needs to be looked at in the rural areas, they do not apply—you know, this road had 200 cars a day and does not need to meet the standard of 2,000 vehicles a day. Those need to be looked at.

One thing that I wanted to show real quickly here, what a major impact—we need highways and we need economic development. Doug has mentioned before and it has been mentioned by a couple of people, Bob Olexo—Cadiz sits approximately here, we are 16 miles from U.S. 70 at St. Clairsville. This one, while it has not been 50 years to build, as someone mentioned on I think the Bellaire project, we have been at least 35 trying to get it. About six years ago, I got the coal company to agree to sell all the land and they set a maximum of $100 an acre on any right-of-way. The plans are partially completed, some sections we are totally completed, but it would have to be updated. By connecting this section here with what is happening from Steubenville, Cadiz sits right here in the middle of the hub, we are only 90 miles from Cleveland, they are working on a four-lane coming out of—250, coming out of Uhrichsville, supposed to be part of the new project, we have only about 14 miles there to connect us there. That would make Cleveland right down to St. Clairsville—this is built.

You have the same situation coming up from Columbus, 22 is proposed part of that to be added to four-lane, there are two bad hills in there or three, if it were improved, you would have a straight shot to Pittsburgh. If this section of U.S. 250 could be built, it would probably have as big an impact on the total area as far as economic development as anything else that could be done.

I do not want to take any more of your time, and I appreciate you having us here and I appreciate you being here to listen to our concerns. Thank you.

The CHAIRMAN. Thank you, Howard, for your presentation.

Our final witness on this panel is the Honorable Edward Bowman, Mayor, City of Weirton, West Virginia.

Mr. BOWMAN. Thank you, sir.

Congressman Mollohan, Congressman Applegate, Chairman Anderson, my name is Edwin J. Bowman and I am the Mayor of the City of Weirton, West Virginia.

I believe everyone here today knows that Weirton is located just on the other side of the Ohio River from Steubenville, Ohio. Thirty-five percent of the 8,500 employee-owners at Weirton Steel are residents of the State of Ohio. My point is, as Doug knows well, that the economic development area in the City of Weirton has a direct effect on the State of Ohio. I have come here today to testify on the importance of the completion of the West Virginia Route 22 bypass, which is situated just beyond the city limits of Weirton. It is my understanding that this project consists of approximately 1.3 miles of highway and has a cost of approximately $50 million.

On May 4, 1990, the ceremonies were held for the opening of the Veterans' Memorial Bridge, which connects the cities of Steubenville, Ohio and Weirton, West Virginia. During these ceremonies, Governor Celeste announced that he had authorized the acceptance of bids for the final phase for the Ohio 22 bypass. There is no question that this was good news; however, even when the Ohio 22 bypass project is completed, without the completion of the West Virginia 22 bypass, we will have an incomplete transportation system. Only with the completion of the West Virginia 22 bypass and the completion of the Ohio 22 bypass will we have the transportation system that will create economic development in the State of Ohio and the northern panhandle of West Virginia. For it will be then, when we will have a direct means of highway transportation from Columbus, Ohio straight through to the Pittsburgh airport.

We believe strongly that the Greater Pittsburgh Airport expansion presently underway creates tremendous potential for economic development in the Ohio Valley and in particular, the West Virginia northern panhandle and Jefferson County in the State of Ohio.

Time is of the greatest essence to capitalize on these development opportunities, but without the completion of the West Virginia and Ohio Route 22 bypass projects, we can kiss these opportunities goodbye.

Gentlemen, due to being out of town, I learned just Friday of today's hearing and therefore have been rather brief in my comments. However, since the planning of this 22 bypass project began approximately 20 years ago, we have accumulated a volume of information on this subject that we could provide you with upon request.

Chairman Anderson, I too would like to reiterate Congressman Mollohan's appreciation in behalf of the residents of the City of Weirton, West Virginia, because we are well aware of your help to Congressman Mollohan to designate the bypass project as a priority primary route. I believe I can speak for Congressman Mollohan when I say he and I would like to reciprocate with a favor. The 22 bypass project can also help with the overcrowded highways in your State of California. Because of the job opportunities that would be created, we can bring home to the Ohio Valley those of our residents who traveled to California seeking employment. [Laughter.]

In closing, sir, I would like to thank our neighbors in the State of Ohio and especially Congressman Applegate, in giving me the opportunity to be a part of today's hearing. Thank you very much.

The CHAIRMAN. Thank you, Mayor. I will not comment on your suggestion. Awhile ago, I was thinking of some things we could trade. One thing we would love to get is some of your water.

Mr. BOWMAN. We could strike a deal.

The CHAIRMAN. Anyway, I have just one question for the panel and then I will turn it over. And I think some of you already touched on it, and that is, do you think the current federal share formulas in existing public works legislation are fair. Some of you already touched on it a little bit. Anyone want to comment?

Mr. OLEXO. I will start. I think in my testimony I said we need to rethink—definitely rethink some of the conditions and the local shares required in a lot of federal funding. Certainly as rural counties and rural communities, we have a very difficult time coming up with local share.

Mr. **Stitt**. I would also say the same thing. Issue 2 in Ohio is 10 percent, is the maximum local share, and even some communities are having a lot of trouble coming up with that 10 percent—90 percent is a grant, but what Ohio has done in going into is not only a grant, we are now looking at a loan program with this money, but it is based on their ability to pay. In other words, it is based on how much and the wealth of the income to determine who gets what percentage, whether it is grant or loan. And a system similar to this would help the communities that cannot afford it, where the ones that can afford it can pay more of their own share and therefore spread the money out and make it go a little farther.

Mr. **Dierkes**. I fully agree. The small entities such as the townships and the villages within our counties and other smaller counties simply cannot take advantage of some of these programs because they do not have the 10 percent or whatever match is needed. Therefore, I think it is not fair and I think that needs to be addressed.

The **Chairman**. Mr. Mayor.

Mr. **Bowman**. It is my opinion from my knowledge of the sharing process with the federal highways, I am of the opinion that that is a fair process. However, where my problem lies at is in with the water and sanitary federal mandated projects. There is an area where most of these projects that are mandated to the municipalities are without question always passed on to the citizens. This is a great burden in the City of Weirton, West Virginia where we are in the process currently of undergoing a major overhaul of our water and sanitary plants within the City of Weirton. And although we do believe that this will enhance the economic development in the future, it has been a very tough process as a matter of dealing with the citizens and them absorbing the cost.

The **Chairman**. Mr. Henderson.

Mr. **Henderson**. Yes. I believe that we need to be funded at least 90 percent really, I mean to have any chance of even making it at all. Population I think is what is hurting us more so than anything because the towns are spread out and everything.

Thank you.

The **Chairman**. Mr. Applegate, do you have a question for the panel?

Mr. **Applegate**. Thank you. Not too much of a question except just to say that with the state legislators, with the local people who are here, I think we are still sounding the same general concerns and same general theme and that is, as was pointed out, full federal participation, more money needs to go into these distressed areas. We have to look at economic development increasing the number of jobs, try to keep our young people here. We are looking at health, we are looking at new transportation modes. We are trying to keep our small communities in existence because that is what I have, I have all small communities, Steubenville is the largest with 25,000 people, but I have so many of them that are only two or three hundred people in them. Places where, as was pointed out earlier, where there is contaminated water because of flooding situations, no way to resolve it. And I think everybody is talking about the same thing, Mr. Chairman, and it is something that our Committee is really going to have to take a very strong look at.

And I want to praise them, because these are the people that are on the firing line. They are back home where you see your people on an eyeball-to-eyeball level every day. And when there is a problem, they come and see you first and they will say we have got this problem and you say, gee, I would like to help you, but I do not have the money.

It is easy for us in the state legislature and in the Congress, we can go back to Washington and to Columbus and we do not have to look at everybody every day. But we are there trying to help, working as a full partnership with the local officials, to be able to come up with the resolutions. So I really commend all of you for staying in there too, because it is not easy on a day-to-day basis having to take the brunt of a lot of the criticisms and not having all the necessary monies to be able to do what it is that you want to do.

And with Ed Bowman, who is a very outstanding Mayor of Weirton, West Virginia, in talking I was showing Mr. Chairman what we are talking about here, amongst other things. The Ohio River of course comes across and Steubenville sits right here on this one side. We have a new bridge that cost about $60 million I think. The Steubenville bypass is about 16 miles long, big four-lane highway, it is about $115 million I think or so. And the Weirton bypass, which is still hanging because of a lack of funds, only about one and a quarter mile, do I understand?

Mr. **Bowman**. Yes, sir.

Mr. **Applegate**. And it is what, $25 million?

Mr. **Bowman**. Approximately $50 million, Congressman.

Mr. **Applegate**. Fifty?

Mr. **Bowman**. Fifty.

Mr. **Applegate**. Boy! And what Howard Stitt showed, that map, coming from Cadiz, which is out in here and bypassing Steubenville, opening all of this for potential economic development. And I understand now that U.S. Air is already in the process of buying some of this property to help develop it for reparation of some of their planes and all, with a landing facility.

But coming across that bridge and then running into Weirton and then having to go through a very heavily congested area of Weirton with this little one and a quarter mile. That is the key link, that is the last thing that we need to go through in order to get up into the Pittsburgh area and to this new airport expansion program. They are going to spend four to five billion dollars in expanding that Pittsburgh airport, and they are in the process of doing it. I am talking about, this is an international airport and it is a huge thing, with—there is going to be so many little satellite industries and they are going to be looking at areas like ours, they want to come into West Virginia and into Ohio because of the tax base and a lot of things that we were talking about.

We have everything going for us to attract that into this area. And that is why this is so very important to conclude this. And it will mean much to this whole area up and down the river. So I just wanted to point that out.

And again just to commend all of you. I know that each of you have problems in your own area and we continue to work with you to try to help you get those monies, but thanks for being here too.

The CHAIRMAN. Thank you, Doug. Congressman Mollohan.

Mr. MOLLOHAN. Well Doug has—what Ed Bowman stated, Doug has reiterated very eloquently and again I think Doug's illustration there can give the Chairman an illustrative idea of what we are talking about and how important your agreeing to upgrading the designation of that route. It has been a powerful incentive for the state to spend its dollars up there. I think it increased the match to 19-1, $19 of federal money for one dollar of state money. And we appreciate all the support we can get for that bypass. Weirton is a—along with the whole upper Ohio Valley, is a great industrial area that has suffered some real economic setbacks and as you have heard here today, infrastructure development is key to that resurgence. As Doug pointed out, we see that linkage with the airport as being kind of a linchpin really, of economic development in our area.

So we are really hitting you upon this bypass, are we not, Mr. Chairman. [Laughter.]

The CHAIRMAN. That is what we are here for I guess.

Mr. MOLLOHAN. We do not want to over-emphasize it, but I do not have any questions. I want to thank Ed for his excellent testimony. He made his point and maybe I can think of another deal for the Chairman. I am not sure, when he thinks about the one that you proposed, that that will be attractive.

I want to compliment Doug Applegate on the fine representatives he has over here. I was very impressed with the last panel and I am very impressed with this panel. You all have done an excellent job.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Mollohan.

I want to thank the panel for an excellent presentation. Thank you very much.

And now our final panel for the day consists of a group of experts in economic development and planning. First is Mr. Dale Hileman, Eastern District Economic Development Manager; Mr. Dan Neff, Economic Development Specialist, Ohio Mid-Eastern Governments Association; Mr. John Beck, Executive Director of the Brooke-Hancock-Jefferson Metropolitan Planning Commission; Mr. John Laslo, former Mayor of Martins Ferry in Ohio and Mr. Don Myers, Director of Development for the Belmont County Improvement Corporation

I want to welcome all you gentlemen and you pick where you want to sit yourself. We are missing Don Myers—oh, here he is. We thought we lost you, Don.

How do you want to proceed? The way I introduced you, which was Hileman, Neff, Beck, Laslo and Myers. But we can do it alphabetically or we can go from one end to the other. So why do you not make that choice.

Dale Hileman.

[The prepared statement of Mr. Olexo appears on p. 575.]

[The prepared statement of Mr. Dierkes appears on p. 486.]

[The prepared statement of Mr. Henderson appears on p. 491.]

[The prepared statement of Mr. Laughman appears on p. 544.]

TESTIMONY OF DALE HILEMAN, EASTERN DISTRICT ECONOMIC DEVELOPMENT MANAGER, COLUMBIA GAS; DAN NEFF, ECONOMIC DEVELOPMENT SPECIALIST, OHIO MID-EASTERN GOVERNMENTS ASSOCIATION; JOHN BECK, EXECUTIVE DIRECTOR, BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION; JOHN LASLO, FORMER MAYOR, MARTINS FERRY, OHIO; AND DON MYERS, DIRECTOR OF DEVELOPMENT, BELMONT COUNTY IMPROVEMENT CORP.

Mr. HILEMAN. Chairman Anderson and Committee, I too would also like to commend our Honorable Congressman Applegate for arranging for these hearings. It is certainly a pleasure and I thank you.

My name is Dale Hileman, Cambridge, Ohio. I am the District Economic Development Manager for Columbia Gas. Our District serves in 18 counties, which includes Congressman Applegate's 18th District.

If communities expect to be competitive in the economic development world, they must develop their best industrial sites or parks complete with infrastructure, fully serviced, which naturally includes water, sewer, utility, roads, bridges and rail. We have heard much about this already today. A plain, so-called "green field" will rarely attract prospective industry. I might also say that in our business, in utilities, who works very closely with the State Development Department, we do not list and make available to the State Development Department simply green fields. It takes more than that, gentlemen, it takes fully serviced land of course that is available with, as I say, infrastructure. Time constraints and known costs are a major part of the selection process.

Recently, in eastern Ohio, we formed a 13-county economic development region. All but one county included in Congressional District 18 is participating in this 13-county region.

A survey completed just last week with this 13-county region ranks infrastructure as first of three top priorities to enhance economic development growth. This perhaps addresses a question that came earlier—where does infrastructure rank. And as I say, this ranked first among the 13 counties. Infrastructure is very critical to the development of industrial parks or sites. Industrial prospect competition, as we know, is so keen today.

Permit me if you will to cite just two examples:

Currently a major federal prospect is considering locating in Carroll County. This potential facility would initially employ approximately 700 with a possibility of doubling its employment. The first major hurdle is to furnish the necessary infrastructure to service this facility. Funding must be available for this project.

Recently, a major industrial prospect even requested to locate in Guernsey County. This company proposed to initially employ around 700 to 1,000 employees. Once again, the first requirement was approximately 150 acres with the necessary infrastructure. Unfortunately this was not available, and the prospect was forced to continue looking outside this region.

The month of May unemployment figures in Guernsey County were 8.7 percent. And incidentally, they have been higher. This happens to be lower than they have been for many a month. In Monroe as well as Harrison Counties, they are in double digits. The average unemployment in the 18th District runs around 7.5 percent, of course as you know, above the national average. And they have been much higher in more recent months. We cannot afford to lose jobs because of insufficient infrastructure.

In the site selection process, potential industry is looking for reasons to eliminate a community. Eastern Ohio is not presently the hot spot for economic growth. Communities must start by having industrial sites or parks fully serviced with the infrastructure.

Let me also add that approximately 70 percent of industrial prospects are looking for good available industrial buildings, naturally including the infrastructure. Many communities in eastern Ohio do not have available industrial buildings and cannot afford to construct even a spec building. Again, if we expect to compete in the economic development world, funding must be available for industrial spec building construction with the necessary infrastructure.

I might also add that recently in Jefferson County, you may be aware that a spec building was constructed and of course the necessary infrastructure is being made available. This county, along with many other counties—I am only singling out a few of them, of the many counties that I work in—has not been that active. and our Honorable Congressman can certainly attest to that. Simply because, again, we have not had an industrial park with the necessary. This we hope, and we feel confident, will be a step in the right direction and we will now hopefully see more economic development activity as a result of this action recently taken.

Thank you again for permitting me to testify regarding the need for infrastructure and funding and its important contribution to economic development growth.

Again, I commend you for taking your time and we are glad to have you with us.

The CHAIRMAN. Thank you, Mr. Hileman.

My second one on the list here is Dan Neff, Economic Development Specialist.

Mr. NEFF. Thank you very much, Mr. Chairman, and again I would like to reiterate those comments of Dale's and thank you all for coming and showing your concern for this area of the country.

During the time allotted to me, I would briefly like to touch on three areas of concern that I have in relation to this topic of infrastructure.

The first being the importance of adequate infrastructure in the economic development process.

I think the testimony today has pointed this out, that at the heart of any local economic development plan is a need for adequate infrastructure, good highways and water and sewer systems with the capacity to handle increased loads, are often key factors in attracting new industries to an area.

Federal programs such as the Economic Development Administration and the Appalachian Regional Commission recognize this linkage and were in fact created with infrastructure development being the major priority. In my role as an Economic Development

Specialist with the Ohio Mid-Eastern Governments Association, I work with nine counties in the Appalachian region of Ohio. This has given me the opportunity to see just how effective these programs can be in providing infrastructure development that creates jobs, this being despite the drastic budget cuts that have taken place in the past decade.

Funds from these programs have been essential in creating and retaining thousands of jobs in the nine-county OMEGA district alone. These projects have included such activities as industrial park development, downtown improvements and the creation of regional shopping malls. They have not only provided the impetus for creating employment, but have also played a significant role in improving the quality of life for area residents. While we are still considered to be part of an economically distressed region, it is just painful to imagine how much worse the situation would be without programs like this.

At the state level, there is also recognition of the special infrastructure needs of Appalachian counties here in Ohio. During recent forums conducted in southeastern Ohio by Ohio Department of Development Director David Baker and Governor's Office of Appalachia Director Randy Runyon, testimony was provided by local officials, area residents and development personnel. Perhaps the most talked about issue at these meetings concerned the need for adequate infrastructure to encourage local economic development.

Secondly, I would like to touch upon the financial and technical limitations of many rural local governments.

A recent article in the New York Times examined the increasing difficulty of governing in small town America. It pointed out that many small local governments do not have the manpower, expertise or financial capability to meet the growing responsibilities placed upon them by state and federal governments.

While the Reagan Administration emphasized decentralization, it also drastically cut funding for agencies whose programmatic directives were now to be carried out by local government. In addition, the general revenue sharing was not re-enacted by Congress, thereby eliminating for many local governments their primary source of federal aid. This, coupled with increased federal and state regulatory requirements and declining tax base due to population losses have left local officials struggling to find solutions to their growing list of problems. And infrastructure is right at the top of that list, gentlemen.

A good example of this can be seen with the various health and environmental mandates being given to local governments to improve their present water and/or sewage systems. While a number of laws have been passed to improve standards—and I am all for those by the way, I think it is important that we have environmental and health quality—not nearly enough funds have been appropriated to complete the task. As a result, local governments often have to drag their feet and in doing so face severe financial penalties simply because they do not have the financial capability or expertise needed to comply.

Finally, my third area I would like to touch upon is the growing overall infrastructure crisis facing our country.

During this hearing and others like it, this Committee has heard the call from concerned citizens and public officials about the need of the federal government to do more to preserve our nation's infrastructure. Numerous studies have shown that our highways and bridges are deteriorating and that our water and sewage systems just do not meet proper standards.

While the federal government can surely not solve this problem alone, neither can it completely back away and leave it up to the state and local governments to develop policy. I urge this Committee to take the necessary steps to establish a national infrastructure priorities system and to do all it can to ensure that necessary funds are appropriated.

I would like to reiterate on Senator Burch's comments earlier and I believe a priority system should take into account economic distress factors that exist.

We all know that this problem is not simply going to go away. I think it behooves all three levels of government to re-establish and strengthen the inter-governmental linkages necessary to meet this head on in a timely fashion before the situation worsens.

In conclusion, I would like to commend this Committee for its efforts in keeping programs like ARC and EDA functioning and encourage it to do all that it can to ensure that appropriations are increased to previous funding levels. A recent report from the National Association of Development Organizations estimates that when adjusted for inflation, federal rural and economic development programs have been cut by more than 70 percent since 1980. I think this situation needs to be corrected to allow these programs to operate in the most efficient manner possible.

Finally I would just like to conclude by saying that we are all aware of the growing disparities that are existing between our rural and urban areas, economically speaking. In this area of Ohio and West Virginia, we have seen a mass exodus of people to urban areas for greater economic opportunity for them.

There is a substantial link between developing rural infrastructure to create jobs and also improve our nation's infrastructure as a whole. The more we can do to establish a strong job base here in rural America, the better off we are in promoting overall infrastructure development. The more we can do here, the less stress we place upon our urban systems. The more people that keep going to our urban areas, the greater stress is placed upon these systems. So not only are we helping to improve our rural areas but we are also helping to alleviate a major problem in our cities.

Again, thank you for this time, I appreciate it.

The CHAIRMAN. Thank you, Dan.

The third one on my list here is Mr. John Beck, Executive Director of Brooke-Hancock, Jefferson Metropolitan Planning Commission.

Mr. BECK. Good morning. Chairman Anderson, Representative Applegate, Representative Mollohan, ladies and gentlemen. I represent an interstate metropolitan transportation study. We are one of the federally mandated and also locally needed organizations that supports transportation planning.

In my larger responsibility as the Director of the Metropolitan Planning Commission, we cover a number of the facets of infrastructure that you referred to in your Committee's call for this meeting. We especially are interested in transportation funding continuing as it has. We would like to see some additional attention paid to wastewater, water supply, solid waste management and emergency avoidance and response.

We are quite concerned that the 1991 Surface Transportation Act retain many of the advantages of the present Surface Transportation Act. We would like to see one item added, which had been considered in the conference committee on the current Surface Transportation Act, but I believe rejected, and that is the possibility of river ferry substitution for optional bridges. I believe we have a river ferry situation in Brilliant, Ohio-Wellsburg, West Virginia, which would best meet the need for interstate transportation. Such an expensive bridge for so few people to cross the river would be I think an unnecessary investment for the federal government. We would like to see that opportunity inserted in the new Transportation Act, as I believe it was written in the Senate version of the bill previously.

We are also very strongly concerned that all of the transportation trust funds come off of the federal consolidated budget. Those transportation trust funds are extremely limited by that budget circumstance. We, in Jefferson County—and I speak here for the Board of Commissioners, have an application pending with the Federal Aviation Administration for a small airfield called Jefferson County Air Park. That $1.7 million piece of what we see as a $10 million investment in this small airport would make an impressive investment as a reliever airport for the currently pressed Greater Pittsburgh International Airport. It would serve all three of our counties; Brooke, Hancock in West Virginia and Jefferson in Ohio as an access point to the air system.

By the way, Dale, I do not mean to correct, but that spec building that the Jefferson Economic Development Council was considering is just at the bid stage now and it is to be located at the Jefferson Air Park. We are looking for some assistance with water and sewer infrastructure to that site and we have been working with the folks at the Ohio Mid-Eastern Governments Association for some time. We are hoping to see the Appalachian Commission and the Economic Development Administration involved in that infrastructure investment.

I would like to echo Mayor Bowman's call for U.S. DOT funding for the remaining West Virginia, actually Weirton, project for the U.S. Route 22 bypass. We would like to express our pleasure with the U.S. DOT/Ohio Department of Transportation cooperative effort for this most recent bid approval. I believe they let into the area of $86 million worth of projects last week for the bypass, and that one remaining project, plus I believe Congressman Applegate's reference to what we call the Findlay development connector, would complete our access to the airport. That connector runs from the McDonald exit on U.S. 22 to the southern expressway, which you gentlemen considered in the last Transportation Act as necessary linkage to the Allegheny County portion of the service area of that airport.

I do not want to belabor transportation to the exclusion of the other infrastructure problems. My basic concern with all of these problems is that you take a common approach. We feel that planning, involving the local governments, the state governments and federal representatives is most critical.

Secondly, we feel that a system of funding which makes the lager investments possible, is a critical need. And only the federal government with its taxing capacity and with its ability to focus these infrastructure investments will be able to make possible this cooperative approach.

We ask that the Committee give strong consideration to all the areas of infrastructure need, and we would be willing to answer questions or respond to you in the future, as you may need.

Thank you, gentlemen.

The CHAIRMAN. Thank you, Mr. Beck.

My fourth one on the list here is Mr. John Laslo, former Mayor of Martins Ferry, Ohio.

Mr. LASLO. Thank you very much, sir.

Mr. Chairman, Congressman Applegate, Congressman Mollohan, we want to thank you in behalf of our Committee for permitting us to present our problems and our project to your attention.

I first became acquainted with the Short Creek Valley highway program in 1963, so it is a long-standing project that we have been working with. And what had happened, the riverfront industries, business places, became involved along with the Short Creek Valley business people and the officials of the various communities that are in that area. This highway is intended for a location south of Cadiz, about 17 miles down through the Short Creek Valley, bypassing Adena, Dillonvale and the small towns in the area, and reaching Route 7 at Rayland on the Ohio River.

I might tell you that in 1971, the ODOT people authorized a location study and they employed Rackoff Associates to do it. There were some problems with it when it was presented to the federal highway people and they found some things that needed to be changed and done. The State Department of Transportation, because of funding restraints, and the monies had run out when they hired—after the location study was made by Rackoff Associates, decided that they would do the necessary changes to satisfy the federal highway people themselves.

I might tell you that construction of the Short Creek Valley highway will (1) provide a highway for general traffic which has been needed for many, many years. And secondly, it will provide the impetus for industrial development, also much needed in southern Jefferson County and eastern Ohio. There are potential industrial sites in the Short Creek Valley which are rated excellent.

Mr. Chairman, what I would like to do is touch briefly on my report. I have been told it has been—it will be recorded as a result of the meeting, but some of the points that have been brought up in this meeting today, such as population decline and the needs of our business people and industrial people, I would like to briefly touch on, to reports that have been generated and given to me in the past.

The Jefferson County industrial park site survey prepared by the Jefferson County Regional Planning Commission and financed by a grant from the Appalachian Regional Commission, pointed out the top ten industrial park sites and 25 additional sites. Four of the top ten are located in the Short Creek Valley area and of the remaining sites pointed out, several are close by. The survey is a good one and points out that good transportation plays an important role in regional economic development.

People in the Short Creek Valley are trying and working hard to revitalize the area. You heard a little bit today about the flooding conditions we have had in the past several weeks. The Short Creek watershed program is moving ahead. This project is meant to help control flooding in the area and will also provide additional economic development land area available to provide jobs.

Much of our eastern Ohio area is a depressed area. We were basically a coal and steel area. In District 6 of the United Mine Workers of America, on January 1, 1977, we had 16,018 miners actively employed. As of April 1, 1989, 4,040 miners are working. We have lost that many mining jobs.

In District 23 of the United Steel Workers of America, in 1970 we had 33,000 steelworkers employed; in 1989, 26,000 steel workers are employed.

The following appeared in a local newspaper: "Harrison County ranked third among Ohio's 88 counties in the percentage of residents living below the poverty level in 1988." Harrison County's poverty level is 29.4 percent.

Most east Ohio counties rank in the top 25 in poverty rates among the state's 88 counties in 1988.

Belmont County ranks 23rd with 19.1 percent, Jefferson County is 21st with 19.9 percent.

I have an endorsement here for the highway from District 23 of the Steelworkers of America and it is signed by Jim Bowen, the Director of District 23. One paragraph says, "The United Steelworkers of America has lost thousands of members in this valley and I feel that this transportation improvement would greatly enhance the area by improving present businesses and attracting new businesses. Our Union wholeheartedly endorses this project and urges those who can make it become reality to do so as soon as possible."

Wheeling Pittsburgh Steel Corporation today is the largest employer in the northern Ohio Valley. I have received an endorsement from Wheeling Pitt and they tell us why they feel we should have a highway in the Short Creek Valley. "We have reviewed the possible effects that this construction would have on the transportation of products to and from our Ohio plants via motor carrier." The plants are of course at Steubenville, at Mingo, at Yorkville and Martins Ferry. A big part of the Wheeling Pittsburgh Steel's employment are in those plants. "It appears that the effects would all be positive for our corporation. The potential benefits are discussed below. Motor carrier operating costs would be reduced on steel shipments to our customers in northern Ohio, northern Illinois, northern Indiana and in the states of Iowa, Michigan, Nebraska, Minnesota and Wisconsin. On a monthly basis we estimate that there would be 2,600 truckload shipments of steel that would take advantage of the proposed new highway, and on inbound material we estimate that about 100 truckloads a month would take advantage of the proposed highway."

We have received an endorsement from the Eastern Ohio Regional Hospital also. It states "I am writing to indicate Eastern Ohio

Regional Hospital's support for the construction of a new federal highway between Cadiz and Rayland and extending through the Short Creek Valley in Jefferson County and connecting with State Route 7 at the Ohio River in Rayland. As a major provider of health care in southeastern Ohio, we consider it of vital importance to have an excellent highway network to transfer emergency patients to our facility. Also, as a major employer, we consider this project to be of vital importance to the economic development in this region." The hospital is located in Martins Ferry, Ohio.

We have an endorsement and a request from United Dairy which is located in the Ohio Valley, and it is signed by President Joseph Carson.

We have an endorsement from Nickles Bakery which travels all over the eastern Ohio area. They of course feel it would be certainly inducive and very helpful to the operation of their bakery.

I would like to talk to you just briefly about the school system people also, who are very much interested in this inasmuch as the new high school built in the Short Creek Valley that will handle better than 1,000 citizens. The Superintendent of Schools in one paragraph states "My concern rests with the safe transportation of our children to the new high school. We desperately need a modern updated highway into the new Buckeye Local High School. As well as busing a thousand students to and from this school daily, we will have continuous runs traveling Route 150."

We have also an endorsement for the Superintendent of Jefferson County Schools, Craig Closser, which in one paragraph says:

> Declining enrollment in the school district, because of the high unemployment in the region, has had a serious effect on the quality of education. This critical problem can be curbed with an improved highway which undoubtedly will stimulate economic development. With an expanding economic base, the region will experience a stemming of the out-migration of young people.

Local mayors continue to push for new highway. The entire Eastern Ohio Mayors Association approved this because of the help it would give business and industry along with their on general traffic in getting to northern Ohio.

We talked about—Congressman Applegate mentioned population loss. Here are projections for southern Ohio County population projections for the years from 1985 to 2010. I would like to point out to you that in Belmont County in 1985, we had a population of 81,553; 2010 going down to about—in that five year projection, it will decrease, they say to 71,768.

Harrison County in 1985 they had a population of 16,249; by 2010 it will have a population of 9836.

Jefferson County a population of 87,012 in 1985; will decrease if present things go on as they are, to 68,018.

"According to the Ohio Department of Employment Services, Eastern Ohio, the counties of Belmont, Jefferson, Harrison and Monroe suffered a major decline in population between November and December. The state estimate of population decline in the area is bad enough, but when the statistics indicate that most of those no longer in the local labor force had been recorded as employed in the November estimates," then we have a problem.

I want to extend the appreciation of our committee along with the business people in the Ohio Valley who are tremendously in support of this program. There is more information in here that is more explanatory of why the people are working so hard to get this done.

I have turned over to Mr. Jim Hart also a listing of all of the companies, the corporations, the unions, the people, the business houses on the riverfront, all who are working toward the construction of this highway.

I want to tell you too that we would appreciate very much one of the first steps to be taken that funding be supplied to take care of the corrections in the original planning of this project that was completed in 1975 so that we can go ahead and continue working. We have a depressed area, we want to do something about it.

Thank you very much for permitting me to be here today.

Mr. APPLEGATE. Thank you very much, John.

We saved the sort of icing on the cake, is that it? We have Mr. Don Myers, Director of Development, Belmont County Improvement Corporation.

Mr. MYERS. Congressman Applegate, Congressman Mollohan, recently our office compiled a list of infrastructure needs for Belmont County. That list exceeded $175 million, the completion of State Route 7 through Bellaire, Ohio requires $70 million. Our county has 78,200 people and nearly half are without sewerage and nearly 25 percent without adequate water supply.

It is difficult to speak of new development of infrastructure when much of existing infrastructure is in such need of repair.

Our largest industry within Belmont County is Wheeling Pittsburgh Steel, which employs over 600 people. This industry, located in Martins Ferry, Ohio, uses nearly 25 million gallons of water monthly. The water lines that feed that industry are nearly 80 years old. Average unemployment in the 18th District is 7.5 percent. We cannot afford to lose existing jobs because of insufficient existing infrastructure. If we expect to compete in the global world, we must have federal funds for infrastructure.

On December 21, 1987, the Belmont County Commissioners purchased 158 acres of land, 400 yards north of Interstate 70 for the purpose of developing an industrial park. During the past two and a half years, five potential developers have looked at the site and all have said no because the site lacks water, sewer and roadway into the park. Very few counties have the financial resources to develop green fields. Federal programs must be available if this industrial park is to succeed.

The federal government has drastically reduced the amount of money available for economic development projects. Programs such as UDAG, ARC, EDA and Farmers Home have either been eliminated or greatly reduced. The federalism program has put financial strain on both state and local governments. It is my honest feeling that this Public Works and Transportation Committee under the direction of Chairman Glenn Anderson plays the most important role to economic development growth and recovery.

Congressman Applegate, Congressman Mollohan, nobody knows our plight better than you, and we appreciate your concerns and look forward to working with you in the future.

Thank you.

The CHAIRMAN. I might start off with my first question. My question to this panel are what are the most critical capital investment needs for this area of the state, or for your area—you can do it any way you wish.

Mr. BECK. Transportation, sir. I think the critical need is transportation access. Probably second in line would be wastewater solutions. We have been very lucky with our water supply. It is coming to a cusp point though as we begin to dispose of some of our wastewater in some of the ways we have done in the past 100 years, we have damaged some of our underground water supply. We are soon going to have to have an effort in water supply as well. I think in that order. We will solve the solid waste problem here and perhaps for some of the surrounding communities of Ohio as well. And I think the emergency problems, the flood relationships, are going to be handled in the future. But I really think that transportation is the critical need.

Mr. LASLO. I agree with that, Mr. Chairman. I know there are hundreds and hundreds of acres of available land in the Short Creek Valley area along that—and of course, on the riverfront where the Short Creek Valley roadway ends, there are thousands of acres there. Most of the market area for the people that are manufacturing on the Ohio River industrial area, market areas in northern Ohio, and as I mentioned, in northern Illinois, northern Iowa and Minnesota and those areas. The monies that they can save through manpower, through oil and gas, whatever it takes to run their finished products into those market areas means a lot to them to survive.

We have, of course at one time, and I mentioned and Don mentioned briefly, on what the Wheeling Pittsburgh Steel, which is the largest employer in our area, employed let us say 10–15 years ago—at the present time they are in bankruptcy, they had financial problems, but they soon will be out of it and they are doing very, very well. But we want to keep them in business and get back to the amount of people that they once employed. They once employed 13,000 people in all of their plants, they are down between six and seven thousand right now.

We have lost some businesses, Tacoma Industries moved out of our area, Eastern Paying is done, we have lost any number of industries because of cost.

Transportation is our main problem and this highway means something to all of the people on the riverfront; the chambers of commerce, the boards of trade, all are hollering for a new highway from the riverfront on up into the northern part of the state and that is the Short Creek Valley area, the shortest route.

Thank you very much.

Mr. MYERS. Mr. Chairman, Belmont County is most fortunate, it has Interstate 70 that divides our county, State Route 7 will be soon completed and State Route 250, and both the state and federal government basically take excellent care of these three major arteries. Belmont County, believe me, with 50 percent of the people without sewerage and 25 percent without adequate water supply, that remains our basic infrastructure need.

The CHAIRMAN. Mr. Neff.

Mr. NEFF. Yes. I would just like to agree with the comments that have been expressed so far during the questioning session. And too, I think the major problems are transportation and water and wastewater needs.

This area, we do have Interstates 70 and 77 nearby, they are a blessing to us and we are very fortunate to have them. However, because of the topography that exists in this part of the country, aside from a few other vital routes that have been mentioned, there is very limited access to a lot of our areas and as a result, it is difficult for job creation.

Again, with water and wastewater needs, we have significant ones. It was pointed out in the Newtown area because of the flooding, the problems that they have, Adena and Dillonvale because of the flooding, problems that have existed there, as well as numerous other areas that maybe have not been flooded but still have drastic needs in this area.

I think this points out the limitations that many small rural local governments have in funding these type of projects, they just do not have the tax base, they are losing population and all it does is exacerbate the situation even further and again, I would like to point out that programs like EDA and ARC are essential for these local governments to be able to fund these type of projects.

Thank you.

The CHAIRMAN. Mr. Hileman.

Mr. HILEMAN. Mr. Chairman, you have probably heard it said there are three factors that greatly influence a prospect and that is location, location, location.

I think what has been said here today in response to your question, I would agree that overall in Congressman Applegate's District, transportation is the factor largely influencing the location. And there are some areas that you cannot get there from here. And so obviously that is a factor. Look at southern Ohio, what has been accomplished. I think that will point out what can be done.

So I would say overall, I would agree that transportation would probably be number one. However, as was also pointed out, in some counties we are blessed with highways. I happen to be in one—live in one, although I work in 18 counties, that is the crossroads, and that is not necessarily the major factor, but certainly wastewater I think would come in probably number two, if you were to rank them.

Thank you.

The CHAIRMAN. Thank you, Mr. Hileman. That covers everybody I believe.

Mr. Applegate, would you like to——

Mr. APPLEGATE. Well I again would like to thank the panel. This is the final panel. The information that we have received today by all who have been here has just been most invaluable. Because you people are the experts, you know all the local intricacies, you know exactly what it is that we need to make our area move and you have to try to exert all the influence and pressure that you can upon those who hold these elective offices.

We are here to listen and of course you know my feelings and where I am, but we have of course 435 other members of the Congress and 100 members in the Senate, so we have all of those individuals that we have to deal with, many of whom are clamoring for monies for problem areas that are much parallel with ours.

I would say this, that yes, I agree that transportation is of a critical nature. Some of those transportation needs are now being met in eastern Ohio. However, we have gotten so far behind over the years, that we still have need for additional improvements to our highway system in order to help to bring in new economic development and new jobs. But just as critical, I think was pointed out by Don Myers, and I think he used the example of the industrial park which is off of Interstate 70 and an excellent location and all, but he has lost four investors into that because of the fact that there is not any adequate sewer and water and they do not have the ability to be able to put that in. That too of course is very critical, and I think as Dan has pointed out how critical it is from not only an economic development point of view, but also because of sanitary or health-wise, in the smaller areas who cannot afford to be able to put in sewer and water areas in places like Dillonvale and Adena, Newtown and Dunglen and all those little smaller communities who have been hit hard by the flash flooding and who now cannot drink water in a lot of these areas and who come into the central location in Dillonvale, Ohio. I sat there the other day and watched people come in to pick up their two gallons of water, because it is contaminated and they just cannot drink it.

In this day and age, we are moving into the 1990s, with all the scientific knowledge, and what is it they always say, gee we can send a man to the moon but we cannot have clean water. And it is true too, we send pictures through the air to television sets and all that, but here we are, we are depriving so many of our needed areas who simply cannot afford it—we are depriving them of what every community should expect.

Certainly I think that is the direction in which we are going. And I think John Laslo pointed it out very succinctly, that over the years, we are going to be losing so much of our population because our young people are leaving and so we are left with a lot of older people, our senior citizens, who have worked to help to try to develop the area but now they do not have the funds to be able to keep up the tax base.

We need the economic development, we need the jobs, we need to keep our young people here. When I go into the schools, I go in to talk to them about how great it is to stay here and to help your community, and it is a pretty hard sell when they are looking to all these lush areas and wonderful places like California and areas like that where they all want to go. And when I was a young fellow too, Mr. Chairman, that was my dream, to go to California. But I stayed here and I am very happy for that.

But I just appreciate very much the fact that you are all here to point out to the Committee, and of course all of your testimony will be a part of the record and will be looked at. We will be looking at these things next year and hopefully we will be able to come up with something that will be constructive, that will be able to help alleviate some of the problems that we have here, and move forward into the 1990s.

The CHAIRMAN. Mr. Mollohan.

Mr. **Mollohan**. Mr. Chairman, I want to thank you and Congressman Applegate again for inviting me to participate in this hearing and for coming to our area to hold it.

While it has focused on eastern Ohio, you have very graciously allowed representatives from West Virginia to participate, the excellent testimony of Mayor Bowman and the excellent testimony of John Beck, who has responsibilities on both sides of the river, and I appreciate his being here and his contribution.

Infrastructure is a sleeping giant in this nation, and for you to come here and look at the specific needs of this area is very reassuring as this nation must, I think, begin to build roads, water and sewer projects, airports, and to do the infrastructure things necessary as these people know, almost better than anybody, for good economic development.

So again, thank you very much for allowing me to participate and I appreciate the testimony of all these excellent witnesses on every panel.

The **Chairman**. Thank you, Congressman Mollohan.

Mr. **Applegate**. Thank you very much, Al. And if I just may add, I want to just take a moment just to thank Glenn Anderson, the Chairman of the Public Works Committee, for his willingness to bring the Committee here, to bring the staff in. I certainly want to give my thanks to Alan Mollohan, my good friend and colleague from West Virginia for coming over and participating in this.

And let me just say that anybody that looks at the Committee and says well gee, you have a big committee and this is all you have—that does not make any difference. This is for the record. It is nice to have a whole roomful of all of the members of the Public Works Committee, but that is not the most important thing. The most important thing is that we will be able to review the testimony and the fact that the Chairman of the Committee is here, I think is very critical to what it is that we are trying to accomplish.

So I again want to thank you and your very, very able and capable staff and Alan Mollohan, and also my staff, who are here too.

Thank you.

Mr. **Laslo**. Mr. Chairman, on behalf of the people of the Ohio Valley and Martins Ferry in particular where I served for 24 years as Mayor, I want to express our appreciation——

The **Chairman**. How many years?

Mr. **Laslo**. Twenty-four.

The **Chairman**. Twenty-four. You did better than I. I was thinking well he is a former mayor, I am a former mayor. I was mayor for—elected for four years but that was in 1940, which is over 50 years ago, and I think in my third year they elected me to the legislature, so I had to resign as mayor to go to the legislature. I was there for many years, 10–12 years I think, and resigned there to become Lieutenant Governor and left there to become Congressman. This is my 51st year in government.

Mr. **Laslo**. Beautiful. Well I had ten years in council as president of the council or councilman-at-large, then 24 years as mayor and I figured that was enough.

The **Chairman**. That is a long time.

Mr. LASLO. But Congressman Applegate was very helpful to the city and to the Valley and to his District and we certainly appreciated that very much. A number of times I called on Congressman Mollohan when we were in programs that covered more than just the city, and we appreciated your help. But California, I always wanted to move back there. You know, I founded Colt League baseball and we had our world series in Ontario in 1957, 1958, 1959 and 1960. And I loved the place. They offered me a job there and I could run the program from there. But my wife would not move. So I stayed in Martins Ferry.

The CHAIRMAN. I will not comment on that.

Well, I will say as we conclude this hearing that we first of all thank Congressman Mollohan for taking time from his busy schedule to be here today and I want you to know a little bit about who is up here. Doug Applegate and I are on the same Public Works Committee and we are involved at different times—often I think we are in the most important Committee in the Congress, but there is another time that I think that the Committee that Mollohan is on is even more important, that is the Appropriations Committee, because when we do something, then we have got to get some money to do it and we have to go to his Committee. So you have got two very important guys here and I think you ought to be aware of that.

Mr. MOLLOHAN. Mr. Chairman, may I just interject there if the Chairman will yield?

The CHAIRMAN. Sure can.

Mr. MOLLOHAN. I think the importance is evidenced by my prayer to you five years ago to please make this Weirton bypass a primary priority and you agreed with it. I think that represents where the real power is. Thank you.

The CHAIRMAN. Well thank you. Remember that the next time I come asking for money. [Laughter.]

Also let me thank Jim Hart and Anne Grady of Congressman Applegate's staff and all the people of the 18th Congressional District for their hard work and hospitality in helping put this on.

And lastly and most importantly, I want to thank Doug Applegate for his commitment to infrastructure, both in Ohio and the Nation as a whole. And Doug, I want to say that when we get back to Washington, I look forward to working with you on two important issues; first on the clean air bill and your efforts on behalf of the Ormet Plant. Did I pronounce it right?

Mr. APPLEGATE. Yes.

The CHAIRMAN. And second, on the hazardous materials transportation, which is very important and of special concern to your district. Everyone here should know that Doug Applegate has been the champion in Congress on that issue.

In all, this has been a very informative hearing and I want to thank everybody for participating. And I am very pleased to have been here.

With that, the Committee is adjourned. Thank you very, very much.

[Whereupon, at 12:04 p.m., the Committee was adjourned.]

[The prepared statement of Mr. Hileman appears on p. 495.]
[The prepared statement of Mr. Neff appears on p. 553.]
[The prepared statement of Mr. Beck appears on p. 475.]
[The prepared statement of Mr. Laslo appears on p. 505.]
[The prepared statement of Mr. Myers appears on p. 550.]

PREPARED STATEMENTS OF WITNESSES

BROOKE — HANCOCK — JEFFERSON
METROPOLITAN PLANNING COMMISSION

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614-282-3401 (Ridefinder)

BHJ OFFICE
BHJ TRANSPORTATION STUDY OFFICE
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BROOKE — HANCOCK (REGION XI)
PLANNING AND DEVELOPMENT COUNCIL
PROJECTS OFFICE

STATEMENT

OF

JOHN R. BECK

EXECUTIVE DIRECTOR

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

to the

Subcommittee of the

Committee on Public Works and Transportation

United States House of Representatives

July 16, 1990

Mr. Chairman, Members of Congress, Ladies and Gentlemen: The Brooke-Hancock-Jefferson Metropolitan Planning Commission, an interstate organization created in 1969 by local governments, serves the Steubenville, Ohio-Weirton, West Virginia Metropolitan Area. We plan for all facets of government service, but we concentrate our planning on the most serious problem--the infrastructure of our own region.

We plan for transportation systems of all modes, water systems, wastewater systems, solid waste management systems, fire and other disaster response systems, and many more. Where possible, we focus funding for new and rehabilitated systems on user fees. In the case of Ohio, we assist local governments in their competition for newly-available Issue 2 Infrastructure funding.

We help our members compete for the bare remnants of formerly very successful U.S. Environmental Protection Agency §202 Wastewater Facilities grants. For eligible areas and populations, we assist with requests for U.S. Dept. of Housing and Urban Development Community Development Block Grants. These stripped skeletons of former Federal infrastructure programs still do what little they can to help our member local governments meet relatively smaller infrastructure investment needs.

Last week in our region, the U.S. Department of Transportation made possible the Ohio Department of Transportation's awarding the last two U.S. Route 22 bypass contracts for a total of $86.6 million. Hopefully, the last contract in West Virginia for a project worth over $35 million will be let soon. Regardless of when, such massive expenditures for vitally needed public works can be made only through a partnership which mobilizes Federal, State and local resources.

We urge you to retain that partnership in the surface Transportation Act of 1991. The combination of metropolitan area-wide, locally-based planning with State DOT administration and funding and U.S.D.O.T. standard-setting and funding, has worked extremely well in the transportation field. We hope to see its scope expanded rather than limited to some impossible to define Highway System of National Significance. We also urge you to restore the former U.S.E.P.A./State E.P.A./Local Government cooperative effort for wastewater infrastructure, and to broaden its scope to include water supply, solid waste management and emergency response systems.

Many of these systems now contain individual infrastructure projects which rival the transportation system in their need for large investments. Only the Federal government of the United States of America can mobilize such a massive infrastructure creation and rehabilitation effort. Only your Committee in the House of Representatives can begin the necessary authorization and appropriation actions to begin the effort.

We will assist you as we support our state and local governments in planning to ensure coordination, non-duplication and cost-effectiveness of infrastructure investments. Please make this important legislation a high priority during the Second Session of the 101st Congress.

* * *

If you have any questions or comments, I would be pleased to respond.

Sincerely,

John R. Beck

John R. Beck
Executive Director

JRB:rm

United States House of Representatives

Public Works and Transportation Committee

Submitted by

State Senator Robert L. Burch

Ohio Senate
Statehouse
Columbus, Ohio 43216
(614) 466-6508

St. Clairsville, Ohio

July 16, 1990

Members of the Committee, I thank you, and I especially thank our Congressman Doug Applegate, for your willingness to come to Eastern Ohio to discuss the issue of infrastructure in general and to listen to state and local perspectives on the critical role the federal [illegible] effectively through the 1990s and into the 21st century.

My name is Robert Burch, and I live in Dover, Ohio (Tuscarawas County). I serve as an Ohio State Senator representing the 330,000 residents of Carroll, Columbiana, Harrison, Jefferson, and Tuscarawas counties, and I speak from the perspective of our State of Ohio in general and our needs in Eastern Ohio in particular.

Infrastructure--our highways, bridges, railroads, airports, ports, mass transit, solid waste disposal facilities, sewers, and waste treatment facilities--these are the systems that serve as the lifelines of modern society. They allow modern society to function effectively when adequately maintained, and the critical importance of this subject cannot be overemphasized.

You are well aware of the magnitude of our infrastructure needs as a nation. Estimates of necessary national infrastructure repair and replacement costs exceed $2 trillion. From an Ohio perspective, studies show that more than $2 billion must be invested in Ohio infrastructure to achieve the standards of quality that we must set for ourselves as a state.

Historically, Eastern Ohio has been one of the primary industrial engines that built the United States into the greatest economic power in history. Unfortunately, the last decade has been an economic disaster for Eastern Ohio, and we have not shared fully in the economic recovery that we have seen in other parts of our State and our country.

Speaking parochially, as an Eastern Ohio elected official, we need specific, targeted assistance from both federal and state government in many areas, and assistance with infrastructure development is perhaps the most important of these areas. There is no greater economic development tool than a well-placed highway, and railroads, airports, sewage systems, and waste treatment facilities are the building blocks of economic development.

Until recently, as in many other areas of public policy, we have had a federal/state/local partnership in the area of infrastructure construction and maintenance. Unfortunately, the decade of the 1980s has seen an accelerated federal withdrawal from this historic partnership as federal funding levels were cut significantly in one public works area after another. If we are to adequately respond to the crisis of our eroding infrastructure, the federal government must reclaim its role as a full partner with state and local government in jointly identifying and meeting our infrastructure needs. Most importantly, the federal government must put its money where its mouth is, and move to restore its traditional funding levels and percentages of funding participation in almost all areas of public works and infrastructure development.

Perhaps more than any other state, we in Ohio have done our share to plan and budget for our future infrastructure needs and to raise the dollars necessary to make our plans a reality. It has not been easy. First, in 1983, Ohio raised taxes to balance our budget and get our economic house in order, thereby providing a stable foundation for the future. Second, the Ohio General Assembly raised state gas taxes twice in the past 4 years, with an increased percentage of these funds going to local government, and we have provided local government with the ability to significantly increase their license plate revenue as well. As a result, we in Ohio have begun one of the most aggressive, and expensive, highway and bridge construction and maintenance programs in the country. Third, in 1987, Ohio voters overwhelmingly approved Issue 2, a constitutional amendment that authorized a $1.2 billion, ten-year program of infrastructure construction, repair, and replacement. We are now beginning the third year of this program, and I am unaware of any other state which has an infrastructure program comparable in either sheer size or in its exclusive focus on local government projects and priorities. In addition, we in Ohio have put in place a number of other funding mechanisms to provide for infrastructure development, particularly in the area of environmental protection, such as solid waste disposal facilities, waste water treatment facilities, and other water and sewer projects.

We in Ohio are doing our part, but we need the full participation of our federal partners if we are to accomplish the job that must be done.

Having outlined our Ohio accomplishments and my recommendation for full federal partnership in general, let me briefly state two specific areas where tough federal decision-making and realistic action at the federal level would be helpful to us in Ohio.

First, take action to address the federal budget deficit crisis which threatens our economic future as a nation. Decisive action in this regard will not only benefit and strengthen our country in the long run. In the short run, action to balance our federal budget should permit release of the tens of billions of dollars currently sitting idle in the highway and airport and other trust funds which, to some degree, are not being released in order to artificially mask the true size of our federal budget deficit. I assure you these funds are critically needed and will be well spent.

Second, where appropriate, take into consideration the economic distress of the region or State in determining where limited federal infrastructure dollars should be directed and the manner in which those dollars are made available. As I mentioned, we in Eastern Ohio need specific, targeted assistance, and this assistance should be in the form of grants or low interest loans, rather than market rate loans, where the project involves a political subdivision with significantly higher than average unemployment or poverty levels.

In conclusion, in Eastern Ohio, economic development and job creation must be our top priority, and infrastructure construction, repair, and maintenance is a critical factor in achieving our goal of economic development success. I appreciate the opportunity to share these thoughts with you. I look forward to working closely with your Committee and others as, I am hopeful, we move aggressively toward the full partnership with the federal government which we need if we are to advance and complete effectively into the 21st century. Thank you.

INFRASTRUCTURE: PROBLEMS AND NEEDS

JACK CERA, STATE REPRESENTATIVE
99TH HOUSE DISTRICT
BELMONT, MONROE, AND NOBLE COUNTIES

INFRASTRUCTURE: PROBLEMS AND NEEDS

I. OVERVIEW

The problems facing our infrastructure are great. The funding needs outweigh the amount of dollars available to address these needs. Ohio voters, by passing Issue II, have made a 10-year (over one-billion dollar) commitment to address infrastructure needs. However, this funding will fall way short of addressing all of the highway, bridge, water and sewer improvements needed around Ohio. The Ohio Legislature, by passing an increase in the gasoline tax, has provided additional funding to deal with state highway and bridge needs. The funding also helps local governments. Despite the increase funding for infrastructure in Ohio, many needs are not being addressed.

During the past years, many problems have been brought forward by constituents and various governmental bodies. I would like to point out some of these problems and possible solutions.

A. WATER

There are basically three areas which need attention in order to provide adequate water services to our citizens. First, is the need for an adequate water supply. Many communities have faced problems with their supply of water. Problems with reservoirs have lead to water shortage problems, especially for communities not located on the Ohio River. While some money has been secured for repairs to existing reservoirs, funding for development of new reservoirs is harder to acquire. While for some communities water sources are a problem, the most serious problem is the water delivery system.

Many communities have very old water lines which often break and require continual repair. Also, many of the existing lines cannot carry the volume of water necessary to service all residences adequately. Replacement of these lines are able to be funded through Issue II which will help, although again, there is a limit to the amount of funding available through that program.

Another problem exists in the area of new water line extensions. This is especially true in rural areas. Issue II money can only be used for existing systems and not to extend new lines. Many of us believe this is wrong and support H.B. 543 sponsored by Representative Tom Johnson which would allow Issue II money to be used to extend lines in the Appalachian counties in Ohio. While this bill has passed the House of Representatives, it has stalled in Senate committee. Therefore, counties trying to extend water lines still must rely on Farmers Home money to fund these projects. The biggest problem with this source is that in many areas where water lines are needed, the population is small, making the cost per customer too high for the project to be accepted. Often water lines are extended to within short distances of homes leaving some people high and dry while their neighbors enjoy the benefits of being on a public water system. Funding is needed to extend these lines the extra distance. We must continue to work for passage of H.B. 543 as a solution to this problem. While many people, especially in urban areas, may take public water for granted, it is absurd in 1990 that many rural Ohioans have to rely on wells and springs for water.

B. SEWER SYSTEMS

Many communities are facing the difficult task of upgrading their sewerage system and treatment facilities. The federal and state E.P.A. requirements have placed a severe financial burden on small communities and their citizens. The costs of these improvements are seldom under $1 million and the small population base in these communities mean that these high costs are spread over very few people. If a larger city has improvements to be made at least their cost are spread over more people reducing the financial burden on each individual. Communities which are required to make these improvements are faced with businesses closing and people leaving because of the increases in sewer and water fees.

The other problem with sewerage is acquiring funding for sewerage to attract business. I am sure that others will testify on this. Therefore, I will not take time to pursue this.

C. HIGHWAYS AND BRIDGES

Funding needs for state and local highways and bridges are still out of our reach even though the legislature has raised the state gas tax. The increase has permitted us to make some strides in our maintenance program and start new construction projects. It has also given additional money to local governments. Still, more money is needed, especially for bridge replacement and for rural townships which have many unimproved roads.

The President's proposal to place the burden of transportation improvement costs on the state is absurd. As I said, we already have increased our gas tax and I do not believe we will be able to pass further increases. What we need is for the federal government to release our gas tax money which is held in the Highway Trust Fund. It is my understanding that Ohio has between $300-$400 million of our money which has not been released. This money is being used to help mask the federal deficit and that is wrong. Finally, any proposal to raise the federal gas tax should give us assurances that this money is used for highway and bridge construction and repair and not to reduce the federal deficit. This tax is a user fee and should be used for repair of our transportation system. The gas tax should fix the holes in our roads not the holes in the federal budget.

TESTIMONY OF MONROE COUNTY COMMISSION PRESIDENT, MR. GLENN DIERKES
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
HEARING ON INFRASTRUCTURE
MONDAY, JULY 16, 1990 ST, CLAIRSVILLE, OHIO

IT IS A TRUE PLEASURE TO HAVE THE OPPORTUNITY TO ADDRESS THIS COMMITTEE IN REGARDS TO INFRASTRUCTURE NEEDS OF MONROE COUNTY, OHIO AND THE SURROUNDING AREA.

IN MANY RESPECTS, THE INFRASTRUCTURE ISSUE HAS BEEN DISCUSSED, DISCUSSED, AND DISCUSSED. IN THE PAST FIVE YEARS A VARIETY OF GROUPS INCLUDING THE OHIO RIVERFRONT REDEVELOPMENT TASK FORCE, THE APPALACHIAN TASK FORCE, BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT AND OTHERS HAVE ISSUED REPORTS OUTLINING STEPS NEEDED TO REVITALIZE THE SOUTHEASTERN OHIO AREA. THESE PLANS AND REPORTS ARE READILY AVAILABLE AND SHOULD BE VIEWED TO SUPPLIMENT MY REMARKS.

MOST PROFESSIONALS CONSIDER ECONOMIC DEVELOPMENT TO BE DRIVEN BY INFRASTRUCTURE (OR THE LACK OF IT). A PARTICULAR COUNTY MAY BE DOING QUITE WELL, ITS NEIGHBORS MAY BE SUFFERING. MONROE COUNTY HAS BEEN SUFFERING FOR MANY YEARS. THE MOST RECENT ANNUAL AVERAGES PROVIDED BY THE OHIO BUREAU OF EMPLOYMENT SERVICES (1989) SHOWS MONROE COUNTY, OHIO TO HAVE THE HIGHEST UNEMPLOYMENT RATE IN THE STATE AT 11.3%. EQUALLY IMPORTANT IS THE FACT THAT THE COUNTY HAS LOST ALMOST 20% OF ITS WORKFORCE IN THE PAST FIVE YEARS AND THAT THE COUNTY IS PROJECTED TO LOSE GREATER THAN 10% OF ITS POPULATION BETWEEN 1980 AND THE CURRENT CENSUS.

TRANSPORTATION

WITHIN MONROE COUNTY THERE REMAINS A CRITICAL NEED FOR HIGHWAY IMPROVEMENTS. MONROE COUNTY HAS NO FEDERAL HIGHWAYS

WITHIN ITS BOUNDARIES. MONROE COUNTY DOES HAVE APPROXIMATELY 200 MILES OF STATE HIGHWAYS, 375 MILES OF COUNTY HIGHWAYS, AND 541 MILES OF TOWNSHIP ROADS. BASED ON A MEASUREMENT SUCH AS VEHICLE MILES PER HIGHWAY, DOUBTLESSLY, THE STATE ROADS ARE IN THE BEST CONDITION, THE TOWNSHIP ROADS, THE WORST. NO ACCURATE ESTIMATE OF COSTS NECESSARY TO REPAIR THE TOWNSHIP ROAD SYSTEM IS AVAILABLE. MOST OF THIS SYSTEM IS GRAVEL SURFACE. ANY SURFACE TREATMENT OF THIS SYSTEM IS LIKELY TO BE SHORT LIVED. PROBABLY LESS THAN 10% OF THE TOWNSHIP ROAD SYSTEM IS ASPHALT. SOME FUNDS HAVE BEEN AVAILABLE FROM THE COUNTY BUDGET TO ENGAGE IN A PAVING PROGRAM FOR THE PAST THREE SUMMERS. APPROXIMATELY 25 MILES OF COUNTY ROAD HAS BEEN PAVED ANNUALLY. IF THE COUNTY WOULD BE ABLE TO CONTINUE THIS RATE OF NEW WORK, EVERY COUNTY ROAD WOULD BE PAVED ONCE EVERY 15 YEARS. OF COURSE, THIS IS AN UNSATISFACTORY TIME FRAME. THE MOST RECENT COUNTY ENGINEER'S ESTIMATE OF FUNDS NEEDED TO COMPLETELY RE-VITALIZE THE MONROE COUNTY ROAD AND BRIDGE SYSTEM IS $8,750,000.00. BASIC MAINTENANCE ON THE STATE HIGHWAY SYSTEM HAS IMPROVED GREATLY IN THE PAST FEW YEARS, DUE NO DOUBT IN PART TO THE STATE'S NEW GASOLINE TAX. HOWEVER WITH THE EXCEPTION OF SEVERAL ROUTINE BRIDGE REPLACEMENTS/REALIGNMENTS, NO MAJOR STATE CONSTRUCTION WORK HAS OCCURED IN MONROE COUNTY SINCE THE 1955 - 1965 ERA.

THE STATE OF OHIO NEEDS COMPLIMENTED FOR PROVIDING SOME ADDITIONAL FUNDING TO COUNTIES AND TOWNSHIPS THROUGH THE INCREASE IN GAS TAXES. THE FULL IMPACT OF THIS INCREASED FUNDING IS SEVERAL YEARS DOWN THE ROAD.

THERE ARE SOME SPECIFIC PROJECTS THAT HAVE BEEN IDENTIFIED

FOR IMPROVEMENT ON THE STATE ROAD SYSTEM. IN MEETINGS WITH LOCAL LEADERS HELD IN 1988, FOUR PROJECTS WERE IDENTIFIED. THE MOST IMPORTANT PROJECT WOULD BE THE CONSTRUCTION OF A 4-LANE OHIO ROUTE 7 FROM I-70 IN BRIDGEPORT IN BELMONT COUNTY TO I-77 AT MARIETTA IN WASHINGTON COUNTY. THIS WOULD OPEN UP THE OHIO RIVER AREA FOR DEVELOPMENT. THE NEXT TWO PROJECTS WERE JUDGED TO BE EQUALLY IMPORTANT. FIRST, THE UPGRADING OF OHIO ROUTE 800 FROM WOODSFIELD TO BARNESVILLE (AND ON TO I-70). I AM PLEASED TO ANNOUNCE THAT THIS PROJECT IS CURRENTLY BEING LOOKED AT AGAIN BY THE OHIO DEPARTMENT OF TRANSPORTATION. AS AN ALTERNATIVE TO THIS PROJECT, IT WAS DISCUSSED TO DESIGN A BRAND NEW HIGHWAY BETWEEN WOODSFIELD AND ST. CLAIRSVILLE THAT WOULD CONNECT TO THE PROPOSED NEW U.S. 250 FROM CADIZ. SECOND, THE IMPROVEMENT OF OHIO ROUTE 78 FROM CLARINGTON TO CALDWELL, NOBLE COUNTY. THIS ROAD IS ALSO RECEIVING IMPROVEMENTS THIS SUMMER. THE FINAL PROJECT THAT WAS IDENTIFIED IN THIS SURVEY WAS FOR A BYPASS AROUND WOODSFIELD. THE PROPOSED BYPASS WOULD TIE STATE ROUTES 78 EAST, 26 NORTH, 800 NORTH, AND 78 WEST TOGETHER. THIS BYPASS COULD ALSO AID IN THE DEVELOPMENT OF THE MONROE INDUSTRIAL PARK NORTH OF WOODSFIELD.

A BRIEF MENTION OF SOME ROAD BUILDING PROJECTS OF REGIONAL INTEREST SHOULD ALSO BE MADE. THESE WOULD INCLUDE THE COMPLETION OF OHIO ROUTE 7 THROUGH BELLAIRE; THE COMPLETION OF THE ROUTE 22 BYPASS IN WINTERSVILLE; THE RELOCATION OF U.S. 250 MENTIONED EARLIER; THE COMPLETION OF THE APPALACHIAN HIGHWAY IN ATHENS COUNTY; A NEW MUSKINGUM RIVER BRIDGE IN MARIETTA; AND FINALLY THE EXTENSION OF ROUTE 48 FROM MORGANTOWN, WV TO EITHER MOUNDSVILLE, WV OR, PREFERABLY, NEW MARTINSVILLE, WV.

ONE FINAL THOUGHT ON TRANSPORTATION--SOME CONSIDERATION NEEDS TO BE GIVEN TO THE CREATION OF A MULTI-MODAL PORT ON THE OHIO RIVER. THIS PORT WOULD NEED TO BE ABLE TO HANDLE BULK AND CONTAINERIZED RIVER CARGO, PROVIDE BOTH RAIL AND TRUCKING ACCESS, AND PERHAPS TO EVEN HAVE AIR FACILITIES.

WATER AND SEWER

MONROE COUNTY'S WATER AND SEWER NEEDS ARE AS LARGE AS ITS TRANSPORTATION NEEDS. MONROE COUNTY HAS SIX PUBLIC WATER PROVIDERS, TWO MUNICIPAL SEWAGE SERVICES, TWO TELEPHONE COMPANIES, TWO GAS COMPANIES, AND FIVE ELECTRIC POWER PROVIDERS.

GREAT STRIDES IN PUBLIC WATER SERVICE HAS BEEN PROVIDED TO MONROE COUNTIANS IN THE PAST THIRTY YEARS. AT A MINIMUM, THREE OF THE EXISTING WATER COMPANIES WERE NOT IN EXISTANCE IN 1960. PUBLIC WATER IS MORE WIDELY AVAILABLE THAN EVER BEFORE IN OUR COUNTY. PROBABLY BETWEEN 1/3 AND 1/2 OF THE POPULATION OF THE COUNTY NOW HAS PUBLIC WATER. HOWEVER, FAR LESS THAN 1/2 OF THE GEOGRAPHICAL AREA OF THE COUNTY HAS WATER SERVICE. NATURALLY THIS LACK OF A BASIC PUBLIC UTILITY PLACES SEVERE CONSTRAINTS ON GROWTH IN LARGE AREAS OF THE COUNTY.

THE SITUATION WITH SEWER IS EVEN MORE PRONOUNCED. ONLY THE VILLAGES OF WOODSFIELD, BEALLSVILLE AND WILSON HAVE PUBLIC SEWAGE. THIS MEANS THAT 4/5 OF MONROE COUNTY'S POPULATION HAS TO DEPEND ON SELF-MAINTAINED AND OFTEN, NON-FUNCTIONING SEPTIC SYSTEMS. THE OHIO & LEE WATER AND SEWER AUTHORITY AND THE VILLAGE OF CLARINGTON ARE BOTH CONSIDERING MUNICIPAL SEWAGE BUT BOTH AGENCIES ARE STRUGGLING TO LOWER HIGH USER FEES. MONROE COUNTY'S HIGH PERCENTAGE OF FIXED-INCOME, ELDERLY RESIDENTS WILL

HAVE A HARD TIME JUSTIFYING THE 30 DOLLAR AND UP MONTHLY BILLS CONTEMPLATED BY THESE SYSTEMS. OVER THE YEARS FEDERAL PROGRAMS SUCH AS EPA GRANTS AND FHA LOANS HAVE HELPED MONROE COUNTY GREATLY. NEW STATE PROGRAMS SUCH AS THE ISSUE II PROGRAM HAVE ALSO BEEN OF SOME ASSISTANCE.

ALTHOUGH THE FEDERAL GOVERNMENT DOES NOT SEEM TO BE IN A MOOD TO EXPAND SOCIAL PROGRAMS, A PROGRAM MODELED AFTER THE RURAL ELECTRIFICATION ASSOCIATION, ONLY DIRECTED AT WATER AND SEWAGE NEEDS WOULD BE WONDERFUL. THE COST WOULD LIKELY BE STAGGERING.

CLOSING

I WOULD LIKE TO CLOSE WITH A WORD OF THANKS TO BOTH THE FEDERAL AND STATE OFFICIALS HERE TODAY FOR THE ASSISTANCE THAT YOU HAVE GIVEN MONROE COUNTY TO HELP US RECOVER FROM DAMAGES OCCURING AS A RESULT OF THE JUNE 14TH FLOODS. ALTHOUGH MONROE COUNTY, THANKFULLY, DID NOT SUFFER THE DAMAGE THAT MANY SURROUNDING COUNTIES HAD, STILL OVER $500,000 IN PUBLIC AND PRIVATE DAMAGES OCCURED IN OUR COUNTY. AGENCIES INCLUDING FEMA, THE CORPS OF ENGINEERS AND ODOT, ALONG WITH THE LOCAL MEMBERS OF THE OHIO AND U.S. LEGISLATURE HAVE EARNED OUR RESPECT AND THANKS FOR THE ASSISTANCE THEY HAVE GIVEN.

July 10, 1990

Glen Anderson, Rep. Ca.
Chairman House Public Works & Transportation Comm.

Testimony - by Stuart Henderson, President
Board of County Commissioners
Harrison County, Ohio

Hearing at the Days Inn
St. Clairsville
July 16, 1990
9:00 AM

Gentlemen:
My name is Stuart Henderson, I am president of the Board of County Commissioners for Harrison County, Ohio.

Harrison County is located in South-eastern Ohio in the Appalachian Region. The major economic activities are centered around Coal Mining and Agriculture, with the Coal industry declining due to high sulfur content of the coal and recent environmental constraints on its use.

The county's economic future is dependent upon the ability to attract a diversity of industries. In order to accomplish economic growth, the infrastructure must be improved, in particular, access to the interstate highway system. Harrison County has abundant water supply, and must be able to transport that water to potential industries. In addition, the County will have to provide sanitary sewers, roads and drainage systems.

Harrison County is not in a position to be able to finance any of the mentioned infrastructures. Financing must be provided at levels sufficient to complete major projects at or near 100% grant programs. Moreover, the time frame from application to funding must be 3 months or less.

Harrison County has abundant land to provide for industrial growth, but is lacking the adequate access to market areas and the major transportation systems. The county is located off the beaten path of Interstates 70 and 77. Federal Highway Route 22 from Steubenville to The Village of Cadiz (County Seat of Harrison County) is or will be sufficient as a four lane highway. However, US Route 22 from the Village of Cadiz (West) to the City of Cambridge (Intersection of IS 70 and IS 77) needs to be made into a limited access highway, and or a limited highway connecting Cadiz to St. Clairsville and IS 70 would provide the access to the interior of Harrison County.

Other highways within the County also must be upgraded in order to provide sufficient internal transportation needs. Funds could be made available to finance such projects at the State or County level.

There are suffix impounded bodies of water as well as ground water available to support residential, commercial and industrial development. The problem the county has is being able to transport water to potential sites that may be located long distances from existing facilities or that the existing facilities may be under-sized or insufficient to provide adequate water pressure. The topography of the county is such that building sites are located based upon available relatively level land, consequently, the distance infrastructure facilities must be placed in order to provide service to such locations can become too costly or prohibited for the county or the municipalities to finance such projects. Federal assistance would be required in order to provide such infrastructure to provide economic development in creating jobs for the county's high un-employment rate (10.7 May, 1990) or for its under-employed residents.

Infrastructure in place at the several county industrial parks is a must in order to attract industry to locate within the county. When an industry is contemplating a site for expansion or location, they are looking for sites that contain all required facilities, particularly water and sanitary sewer. Consequently, funding for such improvements must be made available without a commitment from an specific industry to locate there. Counties and communities need infrastructure financing in order to provide industrial sites complete, with all utilities intact. At this point, economic development can become a viable instrument to attract companies thereby creating the economic base and creating jobs for its un-employed and under-employed.

Harrison County's highway system and access to the State and Federal highway system is critical in terms of economic growth. The major access to the county, as mentioned above, must be provided in order to attract growth. This highway system must be placed upon a high priority now and funds be make available for implementation in the near future. Not only is the industrial aspects required, but recreation and tourism within Harrison County must also be promoted.

In summary, Political units such as Harrison County with weak economic activity, needs financial assistance to provide the basic needs in order to attract the growth necessary for economic survival. Federal assistance and financing must be targeted toward those counties and communities that have deficient or declining economies or have high levels of un-employment or under-employment. Financing levels must be provided prior to specific project commitments and at or near 100 % financing.

Dale Hileman - Cambridge
District Economic Development Manager - Columbia Gas of Ohio, Inc. Our Eastern District serves in 18 counties which includes Congressman Applegate's 18th District.

SUBJECT: INFRASTRUCTURE FUNDING

If a community expects to be competitive in the economic development world, they must develop their BEST industrial site or park complete with infrastructure (fully serviced - including: water, sewer, utilities, road and possibly rail). A plain "green field" will rarely attract prospective industry. Time constraints and known costs are a major part of the selection process.

Recently, Eastern Ohio formed a 13 county economic development region. All but one county included in Congressional District 18 is participating in this 13 county region.

A survey completed just last week with this 13 county region ranks infrastructure as first of three top priorities to enhance economic growth. Infrastructure is very critical to the development of industrial parks or sites. Industrial prospect competition is so keen today.

Permit me to cite just two specific examples:

Carroll County - Currently a major federal prospect is considering locating in Carroll County. This potential facility would initially employ approximately 700 with a possibility of doubling employment. The first major hurdle is to furnish the necessary infrastructure to service this facility. Funding must be available for this project.

Guernsey County - Recently a major industrial prospect even requested to located in Guernsey County. This company would initially employ approximately 700 to 1,000 employees. Once again, the first requirement was approximately 150 acres with the necessary infrastructure. Unfortunately, this was not available and the prospect was forced to continue looking outside the region.

May unemployment figures in Guernsey County were 8.7%. Harrison and Monroe are in double digits. Average unemployment in 18th District is 7.5%. We cannot afford to lose jobs because of insufficient infrastructure.

In the site selection process, potential industry is looking for reasons to eliminate a community. Eastern Ohio is not presently the hot spot for economic growth. Communities must start by having industrial sites or parks fully serviced (infrastructure).

Let me also add that approximately 70% of industrial prospects are looking for good available industrial buildings, naturally, including the infrastructure. Many communities in Eastern Ohio do not have available industrial buildings and cannot afford to construct even a spec building. Again, if we expect to compete in the economic development world, funding must be available for industrial spec building construction with infrastructure.

Thanks for permitting me to testify regarding the need for infrastructure funding and its important contribution to economic development growth.

WRITTEN TESTIMONY BEFORE:

THE HONORABLE GLENN M. ANDERSON, CHAIRMAN
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
July 16, 1990 - St. Clairsville, Ohio

BY: BERNARD B. HURST, DIRECTOR, OHIO DEPARTMENT OF TRANSPORTATION

The efficient movement of people and goods is the backbone of our economy and the preservation of our nation's infrastructure is one of the gravest concerns facing America today. As we look toward the 21st century, we must realize that to stay competitive in the global market will require intense research and planning along with increased funding to provide the nation with a transportation system necessary to meet this goal.

However, federal budget deficits have significantly reduced the amount of federal funding channeled into needed infrastructure programs leaving state government with a burdening share. Common ground must be reached by state and federal government to rectify decades of deterioration and neglect adversely impacting our nations infrastructure.

The overall percentage of federal funds used in highway projects has declined significantly in recent years as state and local governments have picked up an increasingly larger portion of the share.

For example, during the current fiscal year 1990-1991, Ohio's highway maintenance needs far outweighed our budget. A shortfall of $223 million last year and an estimated $159 million this year put the biennium shortage at $382 million.

Ohio has 112,153 total miles of roadway of which ODOT is responsible for the preservation of 19,000. Our system goal each year is to resurface or rehabilitate 10 percent of our mileage. This means that 1,900 miles need to be programmed each year if we are to stay on top of system preservation. Our first goal has been to earmark as much of the budget as possible to this area, while at the same time, trying to meet the most critical of new construction demands. Since ODOT has been unable to keep up with this goal over the past several years, a back log is growing. We presently have nearly 300 miles of resurfacing backlog each year.

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Take 2

Ohio bridges fare no better. Statewide there are 42,968 bridges of which 8,088 are structurally deficient or functionally obsolete. Of the 14,875 bridges that ODOT is directly responsible for, over 15 percent need to be rehabilitated or replaced. And for the 28,000 bridges on the local system, 20 percent need to be replaced or rehabilitated, local bridges top 20 percent in this critical category. Given a 50 year life span, 300 bridges on the ODOT state system should be replaced each year. Last year only 138 were replaced.

Little new construction could be accomplished in the future considering the costs of maintaining and improving all our existing roadway. In order to maximize existing funding, an efficient method of allocating highway funds was needed. In response, the department has instituted a pavement management system to prioritize rehabilitation and resurfacing projects along Ohio's multi-lane divided highways. We are also developing a bridge management system based on the same concept and goals.

Since 1983, ODOT has also made significant improvements in the quality of Ohio's highway system. These improvements were achieved through the Operation Jobs--Highways Program. Initiated in 1985, the program has been a key tool in spurring economic development by building and upgrading Ohio's transportation system. It has provided $1.9 billion in highway construction projects and has created more than 100,000 jobs for Ohioans. The Federal Highway Administration estimates that each $1 billion in highway construction generates more than 50,000 jobs.

By increasing the states gasoline tax, ODOT's primary source of revenue, the Ohio legislature has continued to support our efforts in maintaining and improving Ohio's roadways. In July 1989, the General Assembly approved a 5.2 cents per gallon increase over two years to provide more money for state and local highway and bridge construction. The third increase in three years, it brought the then current 14.8 cents per gallon to 20 cents this month. Ohioans now pay the sixth highest gas tax in the nation. The 5.2 cents increase will produce $297 million annually.

Under terms of the increase, revenue from the first one cent of the increase each year will be set aside for local governments. The rest of the increase is shared according to the traditional formula of 75 percent state and 25 percent local - with a requirement that all of the state's share be used for new construction and reconstruction projects over a two year period.

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Take 3

As a direct result, Governor Richard F. Celeste and I spent the first half of 1990 traveling across the state to announce 88 new construction projects in 44 counties worth $1.1 billion. Many of the announced projects will provide a growth corridor for affected local communities and alleviate traffic congestion enabling existing roadway to serve the public better.

According to a 1986 study by The Road Information Program (TRIP), Ohio counties face a budgetary shortfall of $225 million a year to catch ~~up~~ with needed infrastructure projects from now until the year 2000. In order to help local governments meet the need, during fiscal year 1988 ODOT began giving 30 percent of our minimum allocation funds to supplement urban system funding. The money is distributed on a need basis to Ohio's 16 Metropolitan Planning Organizations representing large cities and 7 smaller cities with populations ranging between 25,000 and 50,000 people.

Ohio is also utilizing inovative funding techniques to compensate for lack of funding for highway improvements. By combining public and private monies, we have aided economic development and job opportunities while improving the surrounding transportation system.

In 1989, Ohio's first privately financed interchange - the Tuttle Road Interchange - opened in northwest Columbus at a cost of $3.5 million. Paid for entirely by the Edwards Land Company, the completed interchange was essential to developing surrounding acreage and creating several thousand new jobs.

Construction of a second privately financed interchange, this one on I-71 in Delaware County, will start this month. In addition to providing long desired access to I-71 in Southern Delaware County, the new interchange will spur economic development of 1,400 acre tract which will could ultimately provide as many as 30,000 new jobs. Although both interchanges will be built with private monies, ODOT has made them possible by agreeing to construct additional lanes on the interstate to handle expected traffic increases.

ODOT has also taken great strides to improve and emphasize multi-modal transportation in Ohio. The department has rail, air, transit, and water divisions that provide planning and technical assistance and guide funding to various communities for modal transportation development. Also, a Bureau of Bicycling assists many local communities in establishing bike trails.

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Take 4

Public transit systems are integral in relieving traffic congestion into urban areas and are the only available means of transportation for many Americans. In 1989, ODOT's public transit section managed more than $30 million in state funds matched by federal and local dollars to aid our 58 public transit sytems - the fourth largest transit fleet in the country. Ohio also has numerous demand-responsive systems serving senior citizens and people with disabilities. However, in fiscal year 1990, the federal government cut transit funding by about 6 percent nationwide. While federal goverment scales back revenue, capitol and operating costs for transit systems across the country are rising.

Rail and water transportation funding has also incurred significant federal funding cuts despite its importance in shipping goods and enhancing economic development to Ohio. In 1989 ODOT's Rail Division helped retain or create 5,000 jobs in 10 Ohio communities by providing new track, switches and signals to eleven industries.

Highway and rail funds were used by ODOT to improve shipping capabilities in 1986 when the Honda Motor assembly plant doubled its facility in Marysville. The plant employs 8,000 people and represents an investment of almost $1.7 billion in the state of Ohio.

Despite Ohio's recent efforts to compensate for dwindling federal funding, we still remain far behind meeting infrastructure needs. And yet, the new transportation policy set forth by the Bush Administration argues that the responsibility of the nation's infrastructure program should be further shouldered by state and local government.

This year alone, Ohio taxpayers will pay approximately $531 million in federal gas tax, but will only receive about $496 million back in the form of federal highway and transit funds. Ohio will lose approximately $35 million. And spending of another $14 million of our fiscal year 1990 funding will be deferred while the federal government locks away $17 billion in Highway Trust Funds to create an apparent reduction in the federal deficit.

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· As of June 30, Ohio's current unobligated balance in federal funding categories subject to the obligation ceiling is $365 million. Obligation Ceilings are constraining an otherwise successful transportation program and should be eliminated so Ohioans can put their investments to work. Let's put the "trust" back into the highway trust fund.

Reauthorization of the federal highway program in 1991 should also inlcude - at the very least - an increase of the 85 percent Minimum Allocation Program to 90 percent. As a donor state, the program assures that Ohioans get back a greater portion of the amount of funds we pay into the highway fund. A 90 percent return on our contribution is more reasonable.

Increased flexibility in federal funding procedures would also allow ODOT to allocate money more efficiently. An example is the popularity and success of the minimum allocation program. It hinges on its flexibility in allowing states to channel funding according to the infrastructure needs of each state.

In addition, federal funding should be maintained at the highest level possible for public transit, water and rail transportation - as well as highways.

Though we have made many accomplishments in the past eight years during the Celeste Administration, it is vital that we persevere in our battle in building better infrastructure. Ohio has worked hard to gain a positive reputation as an economic market leader, and we as public servants, owe it to our constituents--Ohio taxpayers-- to keep the door open.

The most neglected funding category for transportation is in the research area. Spending today for highway research is aplproximately 0.2% of our total highway expenditure. While successful private corporations allocate approximately 6% of their total budget to research and development, funds for highway research has steadily declined over the past several years. The need exists for us to provide better materials, better design and better construction techniques - all made possible through adequate research and development programs.

There is pressing need to combine the research for highways with all other modes in order to learn how to best connect the different modes in promoting a balanced transportation system. Problems exist today in combining research funds from the various USDOT Administrations. Intermodal connections between the various modes will present major problems that should be addressed now by proper research.

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Take 6

While we all agree that highway and all other transportation systems need to be designed, constructed and maintained to provide safe facilities for the travelers, we have learned that even the safest of facilities will not protect the errant or inattentive driver.

We speend billions of dollars each year building and incorporating safety features into our highway systems, yet accidents and deaths continue on these safest of highways. There needs to be a better program aimed at improving these errant and inattentive drivers by an educational process that will improve their awareness and will eliminate their physical and mental deficiencies caused by substance abuse, tiredness and inattentiveness. I feel a substantial investment in this type of an educational program will save more lives than our highway safety improvement investments.

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FACTS ON IMPACT OF OHIO FLOODING:

In the last six weeks, 16 Ohio counties have been declared disaster areas as a result of floods, tornados and severe storms. As a key member in the states disaster relief plans, ODOT immediately dispatched crews (men, women and equipment) to effected areas, such as Shadyside in which 26 people were killed.

Roads and bridges on ODOT's system suffered limited damage - State Route 147 required some repair. However, local road and bridge systems were impacted heavily.

The Federal Emergency Management Agency is presently surveying the damages. ODOT will have spent in excess of $1 million (ballpark figure) of our budget responding to the emergency. Provided the FEMA approves all our expenditures, we will be reimbursed for 75 percent of what we spent. Local government will receive 75 percent of approved expenditures, plus 12 and a half percent from the state.

INFRASTRUCTURE NEEDS FOR HARRISON AND JEFFERSON COUNTIES

State Representative Jerry W. Krupinski 98th Ohio House District
U.S. House Public Works and Transportation Committee Hearing
July 16, 1990 St. Clairsville, Ohio

DURING THE PAST DECADE, SOUTHEASTERN OHIO HAS BEEN BESET BY A VARIETY OF CIRCUMSTANCES WHICH HAVE CONTRIBUTED TO HIGH UNEMPLOYMENT, PARTICULARLY IN THE MINING AND STEEL INDUSTRIES, A CORRESPONDING DECREASE IN THE TAX BASE, AND A DRAMATIC DECLINE IN POPULATION. ANY ONE OF THESE FACTORS WOULD GENERATE A NEGATIVE IMPACT ON THE LOCAL ECONOMY AND A DECREASE IN REVENUE TO GOVERNMENTAL ENTITIES. HOWEVER, THE COMBINATION HAS PRODUCED A DEVASTING EFFECT ON THE COUNTY AND LOCAL GOVERNMENTS AND THEIR ABILITY TO MAINTAIN THEIR RESPECTIVE INFRASTRUCTURE SYSTEMS. THIS CERTAINLY LEAVES NO RESOURCES TO EXPAND SERVICES.

THE AREA IS NOW FACED WITH THE REALITY OF BEING UNABLE TO GENERATE REVENUE AS IN THE PAST. WITH LESS POPULATION, FEWER VEHICLES, AND THEREFORE LESS REVENUE FROM LICENSE PLATES AND WATER AND SEWER SYSTEMS, INFRASTRUCTURE BUDGETS HAVE BEEN DECIMATED.

HARRISON AND JEFFERSON COUNTIES BOTH HAVE APPROXIMATELY 260 MILES OF COUNTY ROADS TO MAINTAIN, AND 450-500 BRIDGES. MANY OF OUR BRIDGES ARE STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE, WITH WEIGHT LIMITS POSTED AT LESS THAN LEGAL LOAD. THE ROUGH TERRAIN AND TOPOGRAPHY TAX THE MAINTENANCE BUDGET. A SEVERE WINTER MEANS LITTLE FUNDS LEFT FOR A SUMMER RESURFACING PROGRAM. THESE MAJOR RESURFACING PROGRAMS ARE NEEDED FOR BOTH COUNTIES. THE BAND-AID REPAIRS ARE BEYOND BEING CAPABLE OF SUSTAINING THE ARTERIES OF THE AREA.

WATER AND SEWER SYSTEMS IN BOTH COUNTIES VARY FROM VIRTUALLY BRAND NEW SYSTEMS TO A FEW COMMUNITIES WITH WOODEN LINES, FREQUENT BOIL ORDERS, AND FAILED SEPTIC SYSTEMS. APPROXIMATELY FOUR VILLAGES IN HARRISON COUNTY ARE WITHOUT SANITARY SEWER SYSTEMS AND SIX VILLAGES IN JEFFERSON COUNTY HAVE NO SANITARY SYSTEMS. FOUR TO FIVE VILLAGES ARE IN NEED OF MAJOR UPGRADING OF THEIR WATER

SYSTEMS. ADDITIONALLY, VARIOUS RURAL SECTIONS OF BOTH COUNTIES NEED DRINKING WATER SYSTEMS. DUE TO THE SPARSE POPULATION IN THE RURAL AREAS, IT IS NOT ECONOMICALLY POSSIBLE TO DESIGN A WATER SYSTEM BASED OF FHA GUIDELINES. THIS, IN TURN, HURTS BOTH RESIDENTIAL AND ECONOMIC DEVELOPMENT.

A PARTIAL SOLUTION TO THESE PROBLEMS HAS BEEN THE STATE OF OHIO ISSUE 2 PROGRAM. DESIGNED PRIMARILY FOR REPAIR AND REPLACEMENT OF EXISTING INFRASTRUCTURE SYSTEMS, ISSUE 2 ADDRESSES ONLY 3 TO 5 PERCENT OF THE TOTAL INFRASTRUCTURE NEEDS. HOWEVER, ISSUE 2 IS HAVING A MUCH LARGER IMPACT IN HARRISON AND JEFFERSON COUNTIES. GREAT IMPROVEMENTS HAVE BEEN MADE TO ROADS, BRIDGES, WATER AND SEWER SYSTEMS.

ANOTHER PARTIAL SOLUTION IS UTILIZATION OF THE FEDERAL HIGHWAY TRUST FUND. HOWEVER, THIS SMALL ALLOTMENT, COMBINED WITH LOW REVENUE, MAKES IT VIRTUALLY IMPOSSIBLE TO MEET THE 25 PERCENT MATCH. ALSO, DUE TO OUR TOPOGRAPHY AND ALIGNMENT OF COUNTY ROADS, CURRENT FHWA REGULATIONS DRIVE THE COST PROJECTS TO AN UNAFFORDABLE STATUS FOR OUR COUNTIES.

HARRISON AND JEFFERSON COUNTIES ARE HELPING THEMSELVES. ENACTMENT OF PIGGY-BACK SALES TAX, HIRING FULL-TIME ECONOMIC DEVELOPERS, UTILIZATION OF EXCITING RESOURCES, ARE SOME OF THE TOOLS THEY ARE CURRENTLY USING.

SOUTHEAST OHIO HAS NOT EXPERIENCED THE ECONOMIC RESURGENCE THAT OTHER AREAS OF OHIO AND THE UNITED STATES HAVE REALIZED. I DO NOT WANT TO SEE OUR YOUTH CONTINUE TO LEAVE THE AREA. WE ARE FACED WITH AN AGING POPULATION AND AN AGING INFRASTRUCTURE.

I FEEL A WORKABLE SOLUTION WOULD BE A PROGRAM SIMILAR TO REVENUE SHARING. FUNDS WOULD BE DISTRIBUTED DIRECTLY TO LOCAL GOVERNMENTS FOR HIGHWAY, BRIDGE, WATER AND SEWER PROJECTS, WITH SIMILAR GUIDELINES TO THE ISSUE 2 PROGRAM. A PROGRAM WITH MINIMAL RED TAPE THAT WOULD BENEFIT LOCAL COMMUNITIES THE MOST.

UNTIL WE CAN UPGRADE OUR INFRASTRUCTURE, IT WILL BE EXTREMELY DIFFICULT TO BRING IN NEW PEOPLE AND NEW INDUSTRY,TO ONE OF THE MOST BEAUTIFUL REGIONS IN OHIO AND IN THE EASTERN UNITED STATES.

I AM JOHN LASLO, FORMER MAYOR OF MARTINS FERRY. I CHAIR THE SHORT CREEK VALLEY HIGHWAY COMMITTEE AND IN BEHALF OF OUR COMMITTEE WE THANK YOU FOR PERMITTING US TO PRESENT OUR PROJECT FOR YOUR CONSIDERATION.

I FIRST BECAME INVOLVED WITH THE SHORT CREEK VALLEY PROJECT IN 1963. AT THAT TIME I WAS EMPLOYED AT THE MARTINS FERRY PLANT OF THE WHEELING STEEL CORPORATION AS ASSISTANT SUPERINTENDENT OF THE SHIPPING DEPARTMENT. AT THAT TIME THE MARKET AREA OF OUR FINISHED PRODUCTS WAS ABOUT THE SAME AS IT IS TODAY.

OUR PLANT MANAGER HEARD OF MEETINGS THAT WERE BEING HELD IN ADENA, IN THE SHORT CREEK VALLEY. PURPOSE, THE SAME AS NOW, A NEW HIGHWAY THROUGH THE VALLEY. ONLY ONE DIFFERENCE. FIRST DISCUSSION CENTERED AROUND RELOCATING R250 FROM CADIZ THROUGH THE SHORT CREEK VALLEY TO ROUTE 7 AT RAYLAND. AFTER SOME DISCUSSION THE RELOCATION IDEA WAS DROPPED AND WE PROPOSED RE-REROUTING R150 FROM R250 TO ROUTE 7 AT RAYLAND.

AFTER A NUMBER OF MEETINGS, THE ODOT EMPLOYED RACKOFF ASSOCIATES, INC. OF COLUMBUS, TO PREPARE A LOCATION STUDY BETWEEN U.S. R250 AND RAYLAND. THE STUDY WAS PRESENTED TO MR. PHILIP RICHLEY, DIRECTOR OF THE OHIO DEPARTMENT OF TRANSPORTATION ON APRIL 5, 1974. I RECEIVED THE ATTACHED LETTER, DATED JUNE 25, 1975 SIGNED BY DAVID L. WEIR, ASSISTANT DIRECTOR OF ODOT. PLEASE NOTE THAT ODOT OFFICIALS AT THAT TIME, AT LEAST TO OUR UNDERSTANDING, MADE A COMMITTMENT TO USE ODOT STAFF TO DO THE NECESSARY ADDITIONAL STUDIES TO SATISFY THE FEDERAL HIGHWAY ADMINISTRATION'S REQUIREMENT.

THE STUDY CONTAINS FOUR CHOICES FOR ROUTES FOLLOWING APPROXIMATELY THE SAME LINE OF DIRECTION AND ACCOMMODATING THE SAME VILLAGES. PRESENT ROADS IN THE AREA, ACCORDING TO THE STUDY, ARE EITHER GRAVEL SURFACED OR DIRT. THE STUDY NOTES THAT COUNTY ROADS IN THE AREA ARE NARROW WITH LITTLE OR NO SHOULDER. THESE ROADS, THE STUDY STATES, ARE PAVED, BUT HEAVEY TRUCK TRAFFIC AND WINTER WEATHER KEEP THEM IN DISREPAIR.

ODOT, DISTRICT 11 HAD INDICATED THAT THEIR STAFF WOULD BE AVAILABLE FOR THIS STUDY UPON COMPLETION OF THEIR WORK ON THE JEFFERSON COUNTY U.S. R22, REED'S MILL TO THE OHIO RIVER, STUDY.

IN JUNE OF 1985, THE MAYORS OF SOUTHERN JEFFERSON COUNTY REQUESTED A MEETING AND DECIDED TO RESUME THEIR EFFORTS TOWARD CONSTRUCTION OF THIS HIGHWAY.

CONSTRUCTION OF THE SHORT CREEK VALLEY HIGHWAY WILL, (1) PROVIDE A HIGHWAY FOR GENERAL TRAFFIC WHICH HAS BEEN NEEDED FOR MANY, MANY YEARS. SECONDLY, IT WILL PROVIDE THE IMPETUS FOR INDUSTRIAL DEVELOPMENT, ALSO MUCH NEEDED IN SOUTHERN JEFFERSON COUNTY AND EASTERN OHIO. THERE ARE POTENTIAL INDUSTRIAL SITES IN THE SHORT CREEK VALLEY WHICH ARE RATED AS EXCELLENT.

ADEQUATE HIGHWAY TRANSPORTATION IS THE LIFE BLOOD OF INDUSTRIAL AND ECONOMIC GROWTH. THEREFORE, THE AVAILABILITY OF ADEQUATE ROADS TO MEET THE DEMAND OF TRANSFERRING MANUFACTURED GOODS IS ESSENTIAL. THE TIME IT TAKES FOR VEHICLES TO TRAVEL FROM THE MANUFACTURING SITE TO THE DELIVERY POINT MUST BE CONSIDERED. CONCERN IS NOT ONLY WITH SHIPPING TIME AND WAGE

EXPENDITURES BUT ALSO WITH THE AMOUNT OF GAS OR DIESEL FUEL CONSUMED.

THE JEFFERSON COUNTY INDUSTRIAL PARK SITE SURVEY PREPARED BY THE JEFFERSON COUNTY REGIONAL PLANNING COMMISSION AND FINANCED BY A GRANT FROM THE APPALACHIAN REGIONAL COMMISSION AND FINANCIAL ASSISTANCE FROM THE STEUBENVILLE AREA CHAMBER OF COMMERCE POINTED OUT THE TOP TEN INDUSTRIAL PARK SITES AND 25 ADDITIONAL SITES. FOUR OF THE TOP TEN ARE LOCATED IN THE SHORT CREEK VALLEY AREA AND OF THE REMAINING SITES POINTED OUT, SEVERAL ARE CLOSE BY. THE SURVEY IS A GOOD ONE AND POINTS OUT THAT "GOOD TRANSPORTATION" PLAYS AN IMPORTANT ROLE IN REGIONAL ECONOMIC DEVELOPMENT.

PEOPLE IN THE SHORT CREEK VALLEY ARE TRYING AND WORKING HARD TO REVITALIZE THE AREA. THE SHORT CREEK WATER SHED PROGRAM IS MOVING AHEAD. THIS PROJECT IS MEANT TO HELP CONTROL FLOODING IN THE AREA AND WILL ALSO PROVIDE ADDITIONAL ECONOMIC DEVELOPMENT LAND AREA AVAILABLE TO PROVIDE JOBS.

RESIDENTS OF THE SHORT CREEK VALLEY AND A GREAT PERCENTAGE OF THE PEOPLE IN THE OHIO VALLEY AREA SUPPORT THE CONSTRUCTION, OF THIS HIGHWAY. THE WORKING COMMITTEE INCLUDES MEMBERS FROM THE JEFFERSON COUNTY BOARD OF COMMISSIONERS, THE EASTERN OHIO MAYORS ASSOCIATION, THE BUCKEYE LOCAL BOARD OF EDUCATION, THE BUCKEYE LOCAL MINISTERIAL ASSOCIATION, VILLAGE COUNCILMEN, TRUSTEES FROM THE ABUTTING TOWNSHIPS, SCHOOL ADMINISTRATORS, JEFFERSON COUNTY ENINGEER, REPRESENTATIVES OF LOCAL ORGANIZATIONS, CHAMBER OF COMMERCE AND PRIVATE CITIZENS.

WE NEED A GOOD HIGHWAY FOR SAFE TRAVEL FOR ALL PEOPLE, PARTICULARY OUR SCHOOL CHILDREN WHO WILL BE TRAVELING FROM ALL SECTIONS OF THE SHORT CREEK VALLEY TO A NEW SCHOOL IN CONNERVILLE. WE NEED A HIGHWAY SO THAT WE CAN EXPAND OUR AREA-BRINGING TO IT NEW INDUSTRY AND BUSINESS, TO PROVIDE JOBS AND TO STOP THE OUT-MIGRATION OF OUR PEOPLE TO OTHER AREAS. WE HAVE HUNDREDS OF ACRES IN THE SHORT CREEK AREA FOR INDUSTRIAL, COMMERCIAL AND RESIDENTIAL DEVELOPMENT. I'LL SAY AGAIN, THE PEOPLE OF SHORT CREEK VALLEY ARE TRYING AND WORKING HARD TO REVITALIZE THE AREA.

WE RESPECTIVELY ASK YOUR CONSIDERATION OF OUR AREA AND IT'S GROWTH.

MUCH OF OUR EASTERN OHIO AREA IS A "DEPRESSED AREA". WE WERE BASICALLY A COAL AND STEEL AREA.

IN DISTRICT 6 OF THE U.M.W.A.

JANUARY 1, 1977 - 16,018 MINERS ACTIVELY EMPLOYED.

APRIL 1, 1989 - 4,040 MINERS WORKING.

IN DISTRICT 23 OF THE U.S.W.A.

1970 - 33,000 STEELWOKERS EMPLOYED.

1989 - 26,000 STEELWORKERS EMPLOYED.

THE FOLLOWING APPEARED IN A LOCAL NEWSPAPER.

HARRISON COUNTY RANKED THIRD AMONG OHIO'S 88 COUNTIES IN THE PERCENTAGE OF RESIDENTS LIVING BELOW THE POVERTY LEVEL IN 1988.

HARRISON COUNTY'S POVERTY LEVEL IS 29.4 PERCENT.

MOST EAST OHIO COUNTIES RANK IN THE TOP 25 IN POVERTY RATES AMONG THE STATES 88 COUNTIES IN 1988.

BELMONT COUNTY RANKS 23RD WITH 19.1 PERCENT, JEFFERSON COUNTY IS 21ST WITH 19.9 PERCENT.

EIGHT OF THE 12 COUNTIES WITH INCREASES OF AT LEAST 75% SINCE 1980 ARE IN EAST OHIO - BELMONT, MONROE, JEFFERSON, HARRISON AND GUERNSEY ARE LISTED AMONG THE EIGHT.

ARTHUR R. BOWERS
STATE REPRESENTATIVE –
STATEHOUSE
COLUMBUS, OHIO 43215

JUN 30 1975

June 25, 1975

Honorable Arthur R. Bowers
Ohio House of Representatives
State House
Columbus, Ohio 43215

Dear Mr. Bowers:

The need for an improved highway facility through the Short Creek Valley (corridor) has long been recognized by the Ohio Department of Transportation, and as a result, considerable study effort has been devoted to satisfy this need. Our files contain numerous letters and petitions dating back to the early 1960's, citing the local need and desire for such an improvement.

As you are aware, considerable local concern was expressed during the course of development of the U.S. Route 250 study, and as a result, the subsequent decision by the Department to relocate this facility southward from Cadiz to St. Clairsville rather than through the Short Creek Valley. This decision was of course based on the standards and needs of the Federal Route, but was in no way an attempt to overlook the economic well being of the Short Creek Valley area.

On July 2, 1971, the Department authorized the engineering consultant, Rackoff Associates, Inc., to proceed with an engineering report for S.R. 150 in accordance with the intent of the public hearing held on April 23, 1970 in Dillonvale and the subsequent entry on the Journal of the Director of Highways, Volume 55, Page 635, June 23, 1970. The intent here primarily being the establishment of S.R. 150 in the Short Creek Valley between U.S. 250 and S.R. 150 at Dillonvale subsequent to an accepted location determined through the State and Federal Transportation Development Processes.

The Federal Highway Administration on August 28, 1974 disapproved the consultant's final draft report for purposes of advancing the project to a location public hearing. From their viewpoint, the report by limiting all alignments within the valley proper did not address to all potentially feasible location alternatives. While FHWA acknowledges the unique problems for highway construction in this area, they concede the matter of alternatives could be readily handled. We concur this is the case; however, this will involve additional engineering and environmental study time.

Honorable Arthur R. Bowers
Page -2-
June 25, 1975

Since our consultant has nearly expended the allocations under his present agreements, the Department has concluded that because of our funding restraints, the necessary additional studies to satisfy the Federal Highway Administration's requirement should be completed by Departmental Staff. ODOT, District 11, has indicated that their staff would be available for this study upon completion of their work on the Jefferson County U.S.R. 22, Reeds Hill to the Ohio River, Study.

Basically then, the status of the S.R. 150 project development is awaiting further alternative studies necessary to satisfy the Federal Requirements.

We trust this status report will meet your immediate needs and wish to convey that the Department is also desirous of an early solution to the transportation needs of the Short Creek Valley.

If we can be of further service, please advise.

Very truly yours,

David L Weir

David L. Weir, P.E.
Assistant Director

DLW:emw
CRT:RDG

cc: ✓ Director's File
Mr. Catlin
Dist. #11, Attn: Mr. Nelms
Mr. Tripp
File
Reading File

United Steelworkers of America
AFL—CIO—CLC

DISTRICT 23

JIM BOWEN
DIRECTOR

SECOND FLOOR
2084 NATIONAL RD.
WHEELING, WV 26003
304-242-6544

July 13, 1990

Mr. John Laslo, Chairman
Short Creek Valley Highway Committee
1213 Indiana Street
Martins Ferry, Ohio 43935

Dear Mr. Laslo:

This letter is in support of the construction of a new federal highway between Cadiz and Rayland, via Foxes Bottom, Harrison County and extending through the Short Creek Valley in Jefferson County and connecting with State Route 7 at the Ohio River at Rayland, Ohio and extended into West Virginia with a highway bridge at Rayland to the Short Creek Valley in West Virginia at the Brooke-Ohio Counties boundary.

The Ohio Department of Highways should consider the construction of a new federal highway in the Harrison and Jefferson County area for the purpose of relocating and/or extending and improving the existing highway network between Cadiz and Rayland. The development of the Short Creek Valley area is of vital importance to the citizens of this region.

The proposed route would serve existing industries in Eastern Ohio and the Northern Panhandle of West Virginia, especially along the Ohio River, where steel mills, power plants, paper mills and chemical plants would be served. Currently, no highway bridge across the Ohio River exists between Bridgeport and Steubenville. A bridge in this area is of vital importance to the economic development of the Upper Ohio Valley.

New industry and commerce would be encouraged by a new federal highway creating more employment for the economically depressed area of Harrison, Jefferson and Belmont Counties.

The United Steelworkers of America has lost thousands of members in this valley and I feel that this transportation improvement would greatly enhance the area by improving present businesses and attracting new businesses. Our Union wholeheartedly endorses this project and urges those who can make it become reality to do so as soon as possible.

Sincerely,

Jim Bowen

Jim Bowen
Director - District 23

Wheeling Pittsburgh
STEEL CORPORATION

SC 1802 11-84

INTEROFFICE CORRESPONDENCE

TO: R. A. Johnson

DATE: May 26, 1989

FROM: Traffic & Transp.
W-10-C

Subject: Short Creek Valley Highway Improvement Project
Proposed Highway Extending From Rayland To Cadiz, OH

We have reviewed the possible effects that this construction would have on the transportation of products to and from our Ohio plants via motor carrier.

It appears that the effects would all be positive for our corporation. The potential benefits are discussed below.

1. Motor carrier operating costs would be reduced on steel shipments to our customers in Northern Ohio, Northern Illinois, Northern Indiana, and in the states of Iowa, Michigan, Nebraska, Minnesota, and Wisconsin.

2. Although the truck lines would only reduce operating distances by about six to ten miles depending on destination, operating time would be reduced by about one hour. In addition to the savings realized in time and fuel, there would also be a savings gained because the motor carriers could avoid the Ohio Turnpike which is a toll road. These cost savings would eventually be reflected in the transportation rates that Wheeling-Pittsburgh pays to the motor carriers.

3. An additional benefit that would accrue for our plants and, incidentally, for the motoring public in general, is that highway congestion would be reduced on Route 7 near Steubenville and to a lesser extent on Route 7 near Bridgeport, Ohio. This would occur because trucking companies now route their trucks to the territory discussed above either North or South on Route 7 to join up with efficient westbound highways. With opening of the proposed highway, these trucks would exit Route 7 at Rayland rather than passing through Steubenville or Bridgeport.

4. The above comments for outbound shipments of steel would also apply on motor carrier shipments of raw materials to our plants. These products woud include lime, coal, zinc, industrial compounds, etc., that are routed to us from Northern Ohio, Northern Indiana, Northern Illinois, and the state of Michigan.

On a monthly basis we estimate that there would be 2,600 truckload shipments of steel that would take advantage of the proposed new highway, and on inbound material we estimate that about 100 truckloads a month would take advantage of the proposed highway.

D. J. Stuthers

bl

cc: R. E. Stoll W-12
E. C. Sambuco MF-01
C. T. Brancazio YK-01

Wheeling-Pittsburgh
STEEL CORPORATION

SC 3 REV. 11-78

INTEROFFICE CORRESPONDENCE

TO: R. A. Johnson

DATE: July 12, 1990

FROM: James R. Stevick

Subject: Short Creek Valley Highway Improvement Project

Relative to our various conversations concerning this project, the following facts are presented to lend our favorable support to this improvement.

If present business conditions continue, motor carrier equipment and drivers are expected to shrink over the next two years by as much as 20%. Reasons: Drug testing, Commercial Driver's License testing, Department of Transportation annual mandatory equipment inspection and low alcohol blood level restrictions for heavy duty truck drivers (.04) could go to .00 in the next few years.

Any road improvement resulting in route shortening will enhance our ability to attract trucks into the Ohio mills, hopefully diverting them from competitors in Western Pennsylvania and West Virginia.

A survey of only one of our major customer's tonnage indicates that we could expect a freight savings in the area of $150,000.00 per year under todays conditions.

I have personally interviewed several truck drivers (owner operators) who transport shipments from all three of our Ohio locations and they indicated that this road, if completed, would be used by them from each plant.

I believe Wheeling-Pittsburgh Steel Corporation should support the efforts of the group that is pushing for this improvement.

bl

cc: D. W. Tuthill
S - File General

IN SUPPORT OF THE CONSTRUCTION OF A NEW FEDERAL HIGHWAY BETWEEN CADIZ AND RAYLAND, VIA FOXES BOTTOM, HARRISON COUNTY AND EXTENDING THROUGH THE SHORT CREEK VALLEY IN JEFFERSON COUNTY AND CONNECTING WITH STATE ROUTE 7 AT THE OHIO RIVER AT RAYLAND, OHIO AND EXTENDED INTO WEST VIRGINIA WITH A HIGHWAY BRIDGE AT RAYLAND TO THE SHORT CREEK VALLEY IN WEST VIRGINIA AT THE BROOKE-OHIO COUNTIES BOUNDARY.

We are requesting that the Ohio Department of Highways consider the construction of a new federal highway in the Harrison and Jefferson County area for the purpose of relocating and/or extending and improving the existing Highway network between Cadiz and Rayland.

The development of the Short Creek Valley area is of vital importance to the citizens of this region.

The proposed route would serve existing industries in Eastern Ohio and the Northern Panhandle of West Virginia, especially along the Ohio River, where steel mills, power plants, paper mills and chemical plants would be served. Currently, no highway bridge across the Ohio River exists between Bridgeport and Steubenville. A bridge in this area is of vital importance to the economic development of the Upper Ohio Valley.

New industry and commerce would be encouraged by a new federal highway creating more employment for the economically depressed area of Harrison, Jefferson and Belmont Counties.

The new highway would also serve to transport school pupils in the Buckeye Local School District which traverse the School District in an East-West direction.

We are asking you to allow us to use your name and/or the name of your firm or organization in newspapers and other media to publicize the need for the Short Creek Valley Highway and your support for this project.

If you will permit The Short Creek Highway Project Committee to use your name please sign the form below and return it to the Committee.

Sincerely,

John Laslo
Short Creek Valley Highway Committee
John Laslo, Chairman
1213 Indiana St., Martins Ferry, OH 43935

* * *

Date: 1/13/86

____ (I)/(We) support the construction of a new federal highway between Cadiz and Rayland, via Foxes Bottom, Harrison County and extending through the Short Creek Valley in Jefferson County and connecting with State Route 7 at the Ohio River at Rayland, Ohio, and extended into West Virginia with a highway bridge at Rayland to the Short Creek Valley in West Virginia at the Brooke-Ohio Counties boundary.

United Dairy, Inc.
Business or Organization Name

300 N. 5th St., Martins Ferry, OH 43935
Address.

Authorizing Signature
President

IN SUPPORT OF THE CONSTRUCTION OF A NEW FEDERAL HIGHWAY BETWEEN CADIZ AND RAYLAND, VIA FOXES BOTTOM, HARRISON COUNTY AND EXTENDING THROUGH THE SHORT CREEK VALLEY IN JEFFERSON COUNTY AND CONNECTING WITH STATE ROUTE 7 AT THE OHIO RIVER AT RAYLAND, OHIO AND EXTENDED INTO WEST VIRGINIA WITH A HIGHWAY BRIDGE AT RAYLAND TO THE SHORT CREEK VALLEY IN WEST VIRGINIA AT THE BROOKE-OHIO COUNTIES BOUNDARY.

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Sincerely,

John Laslo

Short Creek Valley Highway Committee
John Laslo, Chairman
1213 Indiana St., Martins Ferry, OH 43935

****

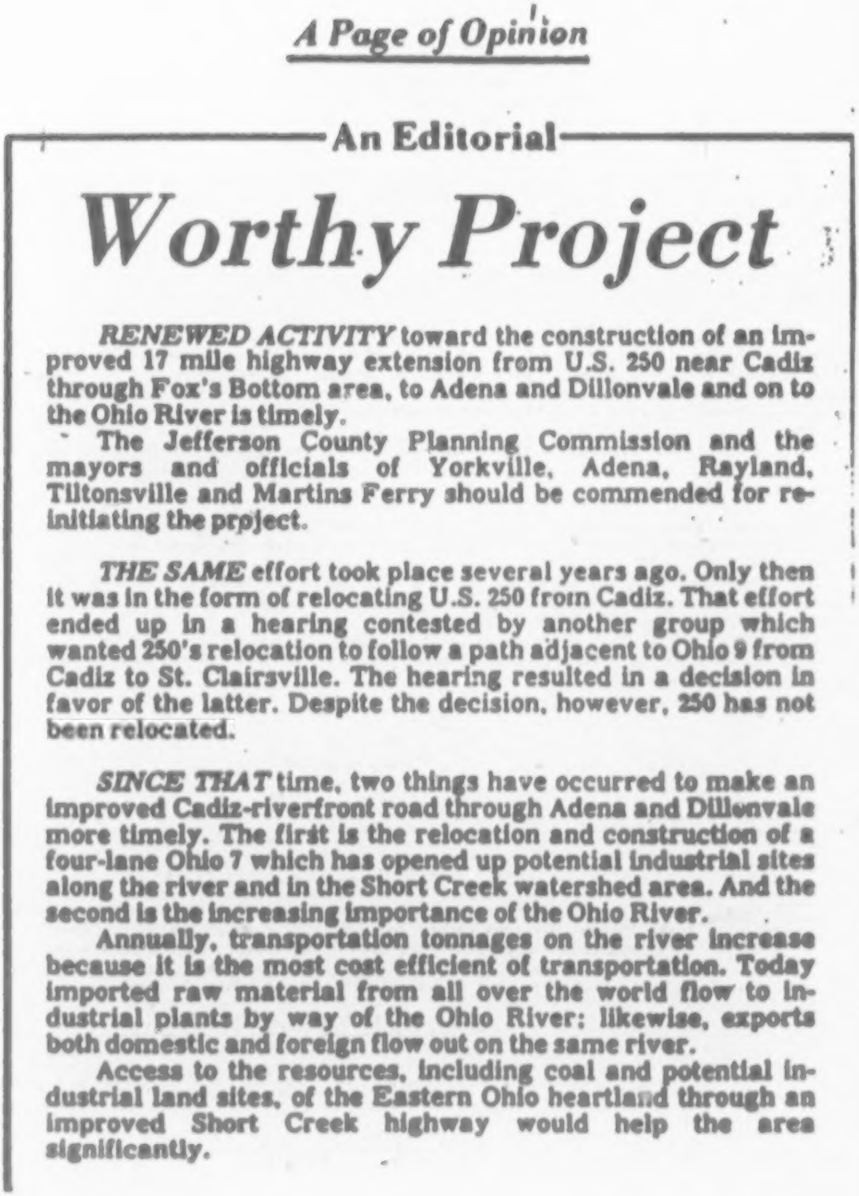
Date: 7/12/90

______ (I)/[✓ (We)] support the construction of a new federal highway between Cadiz and Rayland, via Foxes Bottom, Harrison County and extending through the Short Creek Valley in Jefferson County and connecting with State Route 7 at the Ohio River at Rayland, Ohio, and extended into West Virginia with a highway bridge at Rayland to the Short Creek Valley in West Virginia at the Brooke-Ohio Counties boundary.

Nickles Bakery
Business or Organization Name

1000 Broadway Martins Ferry
Address

Authorizing Signature



A Page of Opinion

An Editorial

Worthy Project

RENEWED ACTIVITY toward the construction of an improved 17 mile highway extension from U.S. 250 near Cadiz through Fox's Bottom area, to Adena and Dillonvale and on to the Ohio River is timely.

The Jefferson County Planning Commission and the mayors and officials of Yorkville, Adena, Rayland, Tiltonsville and Martins Ferry should be commended for reinitiating the project.

THE SAME effort took place several years ago. Only then it was in the form of relocating U.S. 250 from Cadiz. That effort ended up in a hearing contested by another group which wanted 250's relocation to follow a path adjacent to Ohio 9 from Cadiz to St. Clairsville. The hearing resulted in a decision in favor of the latter. Despite the decision, however, 250 has not been relocated.

SINCE THAT time, two things have occurred to make an improved Cadiz-riverfront road through Adena and Dillonvale more timely. The first is the relocation and construction of a four-lane Ohio 7 which has opened up potential industrial sites along the river and in the Short Creek watershed area. And the second is the increasing importance of the Ohio River.

Annually, transportation tonnages on the river increase because it is the most cost efficient of transportation. Today imported raw material from all over the world flow to industrial plants by way of the Ohio River; likewise, exports both domestic and foreign flow out on the same river.

Access to the resources, including coal and potential industrial land sites, of the Eastern Ohio heartland through an improved Short Creek highway would help the area significantly.

Buckeye Local School District

P.O. Box 300
Rayland, Ohio 43943
Phone: 859-2113 — 769-7395 — 598-4160

ADMINISTRATION
Anne E. Stephens, *Superintendent*
Jerome A. Vinci, *Director of Secondary Education*
Joseph V. Talerico, *Director of Elementary Education*
Theresa Bosco, *Cafeteria Supervisor*
James Cesaro, *Maintenance Supervisor*
Leo Fratick, *Transportation Supervisor*

BOARD OF EDUCATION
Karl A. Bowers
Barbara J. Donahue
June McKim
James Pastucci
Clifford M. Thompson
Donna J. Taylor, *Treasurer*

August 8, 1989

The Honorable Richard F. Celeste
Governor of Ohio
State House
Columbus, OH 43266-0601

Dear Governor Celeste:

The Buckeye Local School District is moving forward in Eastern Ohio. In September, 1990, we will move nearly one thousand 9th, 10th, 11th and 12th grade students into a new State of the Arts High School. This is a dream come true for many of us and our parents before us, who have worked for over twenty-five years to make it a reality.

The new high school is located outside of Connorville on Route #150. We will bus students to the school from Adena, Dillonvale, Smithfield, Mt. Pleasant, Brilliant, Rayland, Tiltonsville and Yorkville.

My concern rests with the safe transportation of our children to the new high school. We desperately need a modern updated highway into the new Buckeye Local High School. As well as bussing a thousand students to and from this school daily, we will have continuous runs traveling Route #150.

I know you hear from people every day that say our Valley here in Eastern Ohio is dying. With the passage of our bond issue, Wheeling Pittsburgh Steel coming out of bankruptcy, and the new Tidd Demonstration Project in Brilliant, I feel we are just beginning to live again.

The Ohio Valley is a beautiful safe place to raise a family. There are acres and acres of land in our area that could be developed. We have a chance to survive if Ohio cares.

Please consider giving your support to a new highway through the Shortcreek Valley. The people of the Ohio Valley need a positive break. The children of the Buckeye Local School District need a safe modern highway to travel to school and home again each day. We need for someone to support Eastern Ohio and the people who are trying so hard. We border West Virginia and Pennsylvania. Our Valley could be a very inviting place to live - if people could only get here safely and in a reasonable amount of time. Our children and our Valley need your recognition and support.

Sincerely,

Anne Stephens
Anne Stephens
Superintendent

AES/ss

Buckeye Local School District

P.O. Box 300
Rayland, Ohio 43943
Phone: 859-2113 — 769-7395 — 598-4160

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Jane McKim
James Pastucci
Clifford M. Thompson
Donna J. Taylor, *Treasurer*

October 3, 1989

Mr. William McKenna
Mr. Rodney Wilson
Ohio Department of Transportation
P. O. Box 351
New Philadelphia, OH 44663

Dear Mr. McKenna and Mr. Wilson:

I am in receipt of your letter of September 29, 1989, concerning anticipated traffic flow to the new Buckeye Local High School.

Our study indicates the following increase in traffic along Routh #150, entering and leaving the high school beginning in late August, 1990:

Student Traffic	100 cars daily - about 60 will come from the West area and 40 from North and South Students on the OWE and DH Work Programs will enter and leave more than once per day
Bus Traffic	17 buses daily - all will enter at County Road #14 and exit onto Route #150 from the West driveway
Deliveries	UPS, Food to Cafeterias, Supplies - at least 4 to 5 trucks daily
Cafeteria	We anticipate 3 food trucks to deliver prepared food to other schools in the District
Sports Programs	In 1990, all baseball, softball, basketball games will be held at the new high school. The gym seats 2100 people and will be open for tournaments and hopefully some regional competition. During basketball season we anticipate over 1000 fans in attendance
Ohio University Jefferson Tech College	Evening classes will be held throughout the school year. This should bring at least 50 cars to the school three evenings per week
Adult Basic Education	Classes will be held from October through April two evenings per week. Anticipated attendance will be 50 persons

Parents Visiting School	Daily, it is anticipated that at least 75 cars will enter the school area other than those regularly scheduled. Parents will be picking students up from events and from regular school classes
Visiting Teams	Team buses will enter the school area almost daily for volleyball, basketball, baseball and softball games

The school will be open from 6:45 a.m. until 10:00 p.m. almost daily. The traffic flow coming from the West, South and North areas will be increased greatly. If you visit North H. S. and SouthWest H. S. now, you would see a steady flow of buses and cars transporting students and teams.

Should you have additional questions or need more information, please contact me.

Sincerely,

Anne Stephens

Anne Stephens
Superintendent

AES/ss

JEFFERSON COUNTY SCHOOL DISTRICT

2023 SUNSET BOULEVARD STEUBENVILLE, OHIO 43952

Craig A. Closser, *Superintendent*
Phone: (614) 283-3347

July 11, 1990

To Whom It May Concern:

The purpose of this letter is to support the proposed Short Creek Valley Highway. This highway would extend from Cadiz to Rayland, Ohio.

The proposed highway is vital to insuring the safe transportation of the nearly 2000 students transported daily to and from schools in the consolidated Buckeye Local School District. Buckeye Local, located predominantly in southern Jefferson County, also includes the Northeastern portion of Belmont County and an eastern portion of Harrison County. Prior to 1966, this area had seven (7) independent local school districts with seven (7) high schools and an enrollment of nearly 5300 students. In September of this year, Buckeye Local will open a new eleven (11) million dollar consolidated high school to serve this area. Consequently, safe transportion will be more important than ever.

Declining enrollment in the school district, because of the high unemployment in the region, has had a serious affect on the quality of education. This critical problem can be curbed with an improved highway which undoubtedly will stimulate economic development. With an expanding economic base, the region will experience a stemming of the out migration of young people.

The proposed Short Creek Valley Highway is a vital key to safe transportation and to positive economics in the area. I, therefore, support its development.

Yours truly,

Craig A. Closser

Craig A. Closser
Superintendent
Jefferson County School District

CAC/lad

Local mayors continue to push for new highway construction

3-12-90

BRIDGEPORT — Local mayors hope to schedule a meeting soon with state officials to continue discussions about the Short Creek Highway project.

Plans for a new highway along U.S. 36 were discussed by local mayors at Saturday's meeting of the Eastern Ohio Mayors' Association.

The Short Creek Highway project calls for a new highway to be built along U.S. 36 and a bridge to be contructed between Rayland and Short Creek, W.Va., located below Beech Bottom.

Supporters of the highway project believe it would help the economy of the area. Mayor's Association President Charles Furbee of Bridgeport said the highway would "help to get the coal in and the steel out" to other parts of the country.

Furbee called the project a "great asset to the Ohio Valley area."

It was also pointed out that a new highway would make travel for students at the new Buckeye Local High School safer.

Spearheaders of the project, John Laslo and Martin McKim, will travel to Columbus to meet with legislators and officials from the Ohio Department of Transportation to discuss the highway proposal. No definite date for the meeting has been determined.

On hand for Saturday's meeting were mayors, concerned citizens, chamber of commerce representatives and school officials from Buckeye Local, Yorkville, Adena, Mt. Pleasant, Smithfield, Morristown, Dillonvale, Martins Ferry, Bridgeport, Tiltonsville, Barnesville and Warren Township.

Congressman Douglas Applegate, D-Steubenville, state Sen. Robert Burch, D-Dover, state Rep. Jack Cera, D-Bellaire, and state Rep. Jerry Krupinski, D-Steubenville, also attended the meeting.

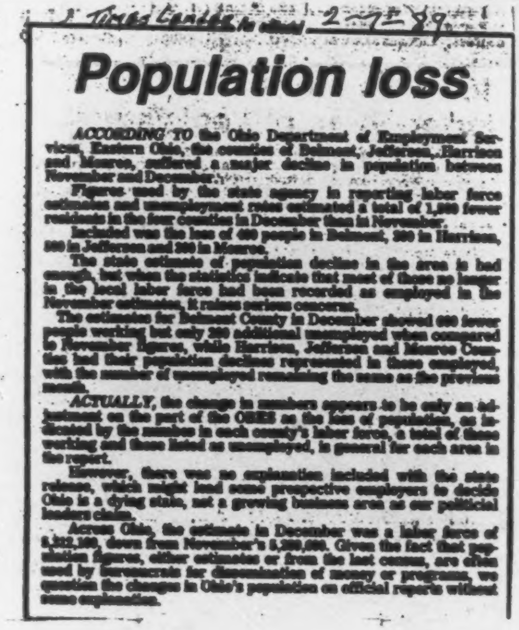
"It is a good time to strike for the building (of the new highway,)" Applegate said.

He said he would push for federal funding of the project and added that plans for a new highway have been in the works since the early 1960s.

Applegate pointed out that $11 billion in highway gas tax funds are available for such an undertaking and estimated that if the highway is built, 90 percent of the cost will be borne by the federral government and the state will supply the other 10 percent.

SOUTHEASTERN OHIO COUNTY POPULATION PROJECTIONS

COUNTY	YEAR 1985	1990	1995	2000	2005	2010
BELMONT	81,553	80,210	78,248	76,112	73,926	71,768
HARRISON	16,249	14,545	13,032	11,759	10,704	9,836
JEFFERSON	87,012	82,796	78,967	75,124	71,370	68,018
GUERNSEY	41,364	40,566	39,789	38,964	38,187	37,533
MONROE	16,146	15,022	14,104	13,307	12,640	12,088
NOBLE	11,243	11,134	11,048	10,961	10,932	10,944
WASHINGTON	64,689	65,197	66,043	67,027	68,062	68,912



Times Leader 2-7-89

Population loss

ACCORDING TO the Ohio Department of Employment Services, Eastern Ohio, the counties of Belmont, Jefferson, Harrison and Monroe, suffered a major decline in population between November and December.

Figures used by the state agency in reporting labor force estimates and unemployment rates estimated a total of 1,800 fewer residents in the four counties in December than in November.

Included was the loss of 400 people in Belmont, 300 in Harrison, 800 in Jefferson and 300 in Monroe.

The state estimate of population decline in the area is bad enough, but when the statistics indicate that most of those no longer in the local labor force had been recorded as employed in the November estimates, it raises serious concerns.

The estimates for Belmont County in December showed 600 fewer people working but only 200 additional unemployed when compared to November figures, while Harrison, Jefferson and Monroe Counties had their population declines represented in those employed, with the number of unemployed remaining the same as the previous month.

ACTUALLY, the change in numbers appears to be only an adjustment on the part of the OBES as the loss of population, as indicated by the number in each county's labor force, a total of those working and those listed as unemployed, is general for each area in the report.

However, there was no explanation included with the state release, which might lead some prospective employers to decide Ohio is a dying state, not a growing business area as our political leaders claim.

Across Ohio, the estimate in December was a labor force of [illegible], down from November's [illegible]. Given the fact that population figures, either estimates or from the last census, are often used by bureaucrats for dissemination of money or programs, we question the changes in Ohio's population on official reports without some explanation.

YOUR VIEW

Times Leader

10-31-90

Repayment due to Eastern Ohio

A federally constructed highway has been proposed for the Short Creek Valley. This highway would run from Cadiz through Adena and Dillonvale to Route 7 in Rayland. The construction of this highway has been endorsed by all of the mayors and councilmen of the villages in the area. Most businesses and organizations have endorsed it also. What is also needed is for everyone in the area to get behind the project. Everyone could help by talking to your elected officials and anyone running for office, writing letters to your elected officials, attending Short Creek Highway meetings, and circulating petitions in favor of the construction of the highway.

This highway could help bring some new industries and businesses to this depressed area, which would mean more jobs. Then instead of our young people having to leave the area for work, they would have jobs here. The most important assets we have are our young people. Why not keep them here and bring this valley back to being prosperous as it was for so many years before?

We have contributed a great deal to this wonderful state and now it is time our elected officials to do something for this area.

Rudy Novak
RD 1
Dillonvale

Intercepted Letter

THE TIMES LEADER
Martins Ferry

DEAR EDITOR:

For grammar it was good, for spelling, it was awful.

Yours
OLD MAN RIVER

SHORT CREEK VALLEY HIGHWAY COMMITTEE

John Laslo, Chairman

Martin McKim, Vice Chairman

STEERING COMMITTEE

COUNTY COMMISSIONERS

Edward Swiger
Jefferson Cty. Comm.
Courthouse
301 Market Street
Steubenville, OH 43952

Albert Olexia, Chairman
Jefferson Cty. Comm.
Courthouse
301 Market Street
Steubenville, OH 43952

MAYORS

Honorable Mayor
Lloyd Crothers
Adena, Ohio 43901

Honorable Mayor
John DeFilippo
Yorkville, OH 43971
859-4022

Honorable Mayor
Leon Bailey
Dillonvale, OH 43917

BOARD OF EDUCATION

Anne Stephens
Buckeye Local School District
Box 300
Rayland, Ohio 43943
769-2462 or 859-2113 Work

June McKim
P.O. Box 488
Adena, Ohio 43901
546-3536 or
546-3211 Work

MINISTERIAL

Msgr. John Kolesar
P.O. Box 597
Adena, Ohio 43901

Father Tom Petronek
204 Mound Street
Tiltonsville, OH
43963

Father Carl Borosh
P.O. Box 577
Dillonvale, Ohio 43917

TRUSTEES

Ray Amoroso
L9-74 Welday Rd.
Dillonvale, OH 43917

John Bettineschi
Rt. #2, Box 86
Dillonvale, OH 43917

Ray D'Andrea
205 Hudson
Tiltonsville, OH
43963

Craig Closser, Supt.
Jefferson Cty. Schools
2023 Sunset Boulevard
Steubenville, Ohio 43952
283-3347

Vince D'Andrea
218 Main Street
Tiltonsville, Ohio 43963

Steve Kinyo, Sr.
R.D. #1
Dillonvale, Ohio 43917
733-7237

Joseph V. Talarico
219 Walter Street
Yorkville, OH 43971
859-2856

James F. Branagan
R.D. #6, S.R. 43
Steubenville, Ohio 43952
(614) 283-8574

John N. Olszeski
Box 429
Dillonvale, Ohio 43917
769-2553

SHORT CREEK VALLEY HIGHWAY COMMITTEE

PROJECT SCHEDULE AND PROGRAM COMMITTEE

Anne Stephens
Buckeye Local School District
Box 300
Rayland, Ohio 43943
769-2462 or 859-2113 Work

Joseph V. Talarico
219 Walter Street
Yorkville, Ohio 43971
859-2856

Jerome Hagerty
131 Buena Vista
Steubenville, Ohio 43952
(614) 264-9023

Craig Closser, Supt.
Jefferson Cty. Schools
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Steubenville, Ohio 43952
(614) 283-3347

SHORT CREEK VALLEY HIGHWAY COMMITTEE

PROMOTION COMMITTEE

June McKim
P.O. Box 488
Adena, Ohio 43901
546-3536
546-3211 Work

Kelly Lishick
P.O. Box 25
Mt. Pleasant, Ohio 43939
769-7588

William R. Wallace
Box 344
Adena, Ohio 43901
546-3055

Watson R. Barsch
R.D. #2
Rayland, Ohio 43943
769-2975

Naomi L. Boroski
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Mt. Pleasant, Ohio 43939
769-2044

John N. Olszeski
Box 429
Dillonvale, Ohio 43917
769-2553

Barbara Barsch
R.D. #2
Rayland, Ohio 43943
769-2975

SHORT CREEK VALLEY HIGHWAY COMMITTEE

FINANCE COMMITTEE

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P.O. Box 488
Adena, Ohio 43901
546-3536
546-3211 Work

Naomi L. Boroski
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Mt. Pleasant, Ohio 43939
769-2044

Stan Dobranetski
Rt. #2, Box 180
Rayland, Ohio 43943
859-4365

Vince D'Andrea
218 Main Street
Tiltonsville, Ohio 43963
859-4725

SHORT CREEK VALLEY HIGHWAY COMMITTEE

PUBLICITY AND PUBLIC RELATIONS COMMITTEE

Harriet Masloski
R.D. #2, Orchard View
Dillonvale, Ohio 43917
769-2813

Rev. Thomas C. Petronek
St. Joseph, 204 Mound St.
Tiltonsville, Ohio 43963
859-4018
859-2946

James Paolucci
L9-118 Dry Fork Road
Dillonvale, Ohio 43917
733-7974

Kathy Paolucci
L9-118 Dry Fork Road
Dillonvale, Ohio 43917
733-7974

SHORT CREEK VALLEY HIGHWAY COMMITTEE

COMMUNITY INVOLVEMENT COMMITTEE

Steve Kinyo
R.D. #1
Dillonvale, Ohio 43917
733-7237

Art Panepucci, Sr.
Cty. Road 8
Dillonvale, Ohio 43917
769-7322

Ed Kubat, Sr.
R.D. #2, Box 120
Dillonvale, Ohio 43917
769-2272

Donald M. Azallion
160 Aldrich Road
Dillonvale, Ohio 43917
769-2736

Rudy Novak
Rt. #1
Dillonvale, Ohio 43917
769-7613

Joseph Homol
208 Market Street, Apt. 303
Yorkville, Ohio 43971
859-6866

Stella Zerla
Box 77
Dillonvale, Ohio 43917
769-2501

Robert Sickle
Adena, Ohio 43901
546-3428

Louis Raymer
RFD #1
Adena, Ohio 43901
546-3039

Barbara Barsch
R.D. #2
Rayland, Ohio 43943
769-2975

Watson R. Barsch
R.D. #1
Rayland, Ohio 43943
769-2975

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769-7588

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Rayland, Ohio 43943
859-4365

George M. Grant
R.D. #2, Merkel Circle
Rayland, Ohio 43943
859-4652

Leonard Kaminski
Box 626
Adena, Ohio 43901
546-3824

William R. Wallace
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Adena, Ohio 43901
546-3055

Yvonne Gotschall
P.O. Box 92
Mt. Pleasant, Ohio 43939
769-7563
769-2290 Work

John N. Olszeski
Box 429
Dillonvale, Ohio 43917
769-2553

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING POLITICAL SUB-DIVISIONS AND COMMUNITY ORGANIZATIONS:

JEFFERSON COUNTY COMMISSIONERS

COUNCIL AND MAYOR - VILLAGE OF ADENA
COUNCIL AND MAYOR - VILLAGE OF RAYLAND
COUNCIL AND MAYOR - VILLAGE OF YORKVILLE
COUNCIL AND MAYOR - VILLAGE OF DILLONVALE
COUNCIL AND MAYOR - VILLAGE OF TILTONSVILLE
COUNCIL AND MAYOR - VILLAGE OF SMITHFIELD
COUNCIL AND MAYOR - VILLAGE OF MT. PLEASANT
COUNCIL AND MAYOR - CITY OF STEUBENVILLE
COUNCIL AND MAYOR - VILLAGE OF BRILLIANT
COUNCIL AND MAYOR - VILLAGE OF BRIDGEPORT
COUNCIL AND MAYOR - CITY OF MARTINS FERRY

BOARD OF TRUSTEES - SMITHFIELD TOWNSHIP
BOARD OF TRUSTEES - MT. PLEASANT TOWNSHIP
BOARD OF TRUSTEES - WARREN TOWNSHIP

BOARD OF EDUCATION - BUCKEYE LOCAL SCHOOL DISTRICT

POLITICAL CLUB - SOUTHERN JEFFERSON COUNTY

JEFFERSON COUNTY DEMOCRATIC PARTY - 608 BUCKEYE STREET
TILTONSVILLE, OHIO 43963

GREATER STEUBENVILLE JEFFERSON COUNTY CHAMBER OF COMMERCE -
BOX 278, STEUBENVILLE, OHIO 43952

CIVIC AND FRATERNAL ORGANIZATIONS

PINE VALLEY SPORTSMAN, INC., RD#1, ADENA, OHIO 43901
AMERICAN LEGION MCCOOK POST #529, DILLONVALE, OHIO 43917
YORKVILLE ECONOMIC DEVELOPMENT COMMISSION
ADENA AARP - #2220, ADENA, OHIO
HARRISVILLE RURITAN CLUB - HARRISVILLE, OHIO
DILLONVALE-MT. PLEASANT LIONS CLUB - DILLONVALE, OHIO
U.T.U. DILLON LODGE 136 - DILLONVALE, OHIO 43917
YORKVILLE FIRE DEPARTMENT - YORKVILLE, OHIO 43971
JEFFERSON CO. FARM BUREAU FEDERATION - RD #2, BLOOMINGDALE, OHIO
JEFFERSON COUNTY FARM BUREAU - ROUTE 2, STEUBENVILLE, OHIO 43952
KNIGHT OF COLUMBUS, COUNCIL #4437 - ADENA, OHIO
DILLONVALE AARP #3773 - DILLONVALE, OHIO
OHIO VALLEY HUNGARIAN AMERICAN CULTURAL SOCIETY - 327 MAIN STREET
TILTONSVILLE, OHIO

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING EMPLOYEE AND EMPLOYER ORGANIZATIONS:

UNITED STEELWORKERS OF AMERICA - LOCAL NO. 1223
YORKVILLE PLANT, WHEELING-PITTSBURGH STEEL CORPORATION

UNITED STEELWORKERS OF AMERICA - LOCAL NO. 3621
YORKVILLE PLANT, WHEELING-PITTSBURGH STEEL CORPORATION

UNITED STEELWORKERS OF AMERICA - LOCAL NO. 1238
MARTINS FERRY PLANT, WHEELING-PITTSBURGH STEEL CORPORATION

UNITED STEELWORKERS OF AMERICA - LOCAL NO. 4178
MARTINS FERRY PLANT, WHEELING-PITTSBURGH STEEL CORPORATION

PROJECT BEST, INC.
21 ARMORY DRIVE, WHEELING, W.VA. 26003

IRONWORKERS LOCAL 549
2350 MAIN STREET, WHEELING, W.VA. 26003

SHEET METAL WORKERS L.U. #70
P.O. BOX 484, MARTINS FERRY, OHIO 43935

PILE DRIVERS LOCAL UNION LOCAL 2264
524 MARTIN BLDG., 119 FEDERAL STREET, PITTSBURGH, PA 15212

PAINTERS LOCAL #91
28TH CHAPLINE STREET, WHEELING, W.VA. 26003

PLASTERS & CEMENT MASONS LOCAL 39
R.D. 1, BOX 332, COLLIERS, W.VA. 26035

OHIO VALLEY CONSTRUCTION EMPLOYERS COUNCIL
21 ARMORY DRIVE, WHEELING, W.VA. 26003

JARVIS, DOWNING & EMCH, INC. (CONSTRUCTION COMPANY)
P.O. BOX 6253 - G.C.& P. ROAD, WHEELING, W.VA. 26003

COLUMBIA GAS OF OHIO, INC.
3175 GUERNSEY STREET, BELLAIRE, OHIO 43906

BOURY, INC.
1311 MAIN STREET, WHEELING, W.VA. 26003

ZIMNOX COAL COMPANY
1211 3RD STREET, BRILLIANT, OHIO

VALLEY MINING INC. - RT. 1, BOX 158B, DENNISON, OHIO 44621

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING CHURCHES AND AFFILIATED GROUPS

UNITED PRESBYTERIAN CHURCH OF MT. PLEASANT - BOX 173
MT. PLEASANT, OHIO 43939

DIOCESE OF STEUBENVILLE - 422 WASHINGTON STREET, STEUBENVILLE,
OHIO 43952 - BISHOP ALBERT H. OTTENWELLER

ST. LUCY'S C.W.C. - 107 ST. LUCYS AVENUE, YORKVILLE, OHIO 43971

ADENA UNITED METHODIST CHURCH - CORNER E. MAIN & LYONS STREET
ADENA, OHIO 43901

DIOCESE OF STEUBENVILLE - 422 WASHINGTON STREET, STEUBENVILLE,
OHIO, 43952 - SISTER MARY ANN CORR S.C. ED. D.

DIOCESE OF STEUBENVILLE - 422 WASHINGTON STREET, STEUBENVILLE,
OHIO, 43952 - MSGR. ROGER J. VOYS, V.S.

CATHOLIC CHARITIES - DIOCESE OF STEUBENVILLE - 422 WASHINGTON
STREET, STEUBENVILLE, OHIO 43952 - REV. GERALD E. CALOVINI

DIOCESE OF STEUBENVILLE - P.O. BOX 969, STEUBENVILLE, OHIO 43952
LINDA A. NICHOLS

ST. JOSEPH CATHOLIC CHURCH - 204 MOUND STREET, DILLONVALE, OHIO
43917

SOCIETY OF ST. FRANCIS - TILTONSVILLE, OHIO 43963

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, ADENA, OHIO

WALKER'S HARDWARE - BOX 535, ADENA, OHIO 43901

ADENA LIONS CLUB - ADENA, OHIO 43901

ADENA COMMUNITY PLANNING COMMITTEE - BOX 488, ADENA, OHIO 43901

MCKIM BROS. ENTERPRISE - BOX 488, ADENA, OHIO 43901

T & J JUNCTION - RD#2, ADENA, OHIO 43901

BRIDGE STREET CAFE - ADENA, OHIO 43901

SUNSET HEALTH CARE, INC. - RD#1, BOX 51, ADENA, OHIO 43901

ADENA FIRE COMPANY - BOX 656, ADENA, OHIO 43901

HOPKINS TRUCKING - BOX 325, ADENA, OHIO 43901

P & M RESTAURANT - N. BRIDGE STREET, ADENA, OHIO 43901

MORELAND TRUCKING - 200 S. BRIDGE STREET, ADENA, OHIO 43901

KIDD'S HARDWARE - 110 MAIN STREET, ADENA, OHIO 43901

TOTO & SON'S - 101 BOX 8, E. MAIN STREET, ADENA, OHIO 43901

WOMAN'S CLUB OF ADENA - P.O. BOX 488, ADENA, OHIO 43901

BERNOSKY PIZZA - ADENA, OHIO 43901

JIM'S AUTO BODY - BOX 281, ADENA, OHIO 43901

YOUNG STABLE - ADENA, OHIO 43901

KANOSKI MARKET - BOX 567, ADENA, OHIO 43901

MAPLE VIEW FARM - RD #1 BOX 235, ADENA, OHIO 43901

CROTHERS TRUCKING - ADENA, OHIO 43901

BARTRUG TRUCKING - BOX 106, ADENA, OHIO 43901

BORKOSKI SERVICE CENTER - 101 W. MAIN, ADENA, OHIO 43901

JAY HOPKINS TRUCKING - RD#5, CADIZ, OHIO 43907

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, DILLONVALE, OHIO

FIRST NATIONAL BANK AT DILLONVALE - BOX 638, DILLONVALE, OHIO 43917

VALLEY DISTRIBUTORS, INC. - BOX 548, RT. 150, DILLONVALE, OHIO 43917

THOMPSON & SONS, INC. - BOX 606, DILLONVALE, OHIO 43917

MARY KAY'S BEAUTY SHOP - RHODES STREET, DILLONVALE, OHIO 43917

MARY LYNN'S CUT-N-CURL BEAUTY SHOP - BOX 51, DILLONVALE, OHIO 43917

PANEPUCCI SERVICE STATION - BOX 696, DILLONVALE, OHIO 43917

DILLONVALE SR. NUTRITION COUNCIL - P.O. BOX 414, DILLONVALE, OHIO 43917

THE AMERICAN LEGION MCCOOK POST 529 AUXILIARY - DILLONVALE, OHIO 43917

DILLONVALE VOLUNTEER FIRE DEPARTMENT - BOX 626, MAIN STREET, DILLONVALE, OHIO 43917

C.S.A. #121 - DILLONVALE, OHIO 43917

THE NEW CO-OPERATIVE COMPANY - DILLONVALE, OHIO 43917

DILLONVALE SENIOR CENTER - DILLONVALE, OHIO 43917

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, MT. PLEASANT, OHIO

OHIO VALLEY SUN SYSTEMS - BOX 295, MT. PLEASANT, OHIO 43939

PEOPLES NATIONAL BANK - MT. PLEASANT, OHIO 43939

MT. PLEASANT POST OFFICE - MT. PLEASANT, OHIO 43939

CORNER DELI - MT. PLEASANT, OHIO 43939

MT. PLEASANT VOLUNTEER FIRE DEPARTMENT - MT. PLEASANT, OHIO 43939

PETRAS ENGINEERING - RT. 150, MT. PLEASANT, OHIO 43939

JOHNNY'S GULF & AUTO REPAIR - BOX 153, MT. PLEASANT, OHIO 43939

JOHNNY'S CAR WASH - BOX 153, MT. PLEASANT, OHIO 43939

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, YORKVILLE, OHIO

FIOR'S BARBER SHOP	113 WILLIAM STREET
U.S. POSTAL SERVICE	325 PUBLIC ROAD
PERFECTION HEATING & PLUMBING CO.	135 WILLIAM STREET
JACALYI HAIR DESIGN	505 PUBLIC ROAD
DELVECCHIO AGENCY	
BILL'S RESTUARANT	
ANTONIO PIZZA	105 MARKET STREET
ST. LUCY'S PARISH COUNCCIL	107 ST. LUCYS AVENUE
YORKVILLE V.F.W. LADIES AUX.	123 MARKET STREET
PONTIA AUTO SERVICE	PUBLIC ROAD
YORKVILLE CLINIC	PUBLIC ROAD
YORKVILLE AUTO PARTS	320 PUBLIC ROAD
YORKVILLE PLANT FEDERAL CREDIT UNION	307 PUBLIC ROAD
CONVENIENT FOOD MART	150 WILLIAM STREET
YORKVILLE PASTRY SHOP	338 SINCLAIR AVENUE
VICKI'S TAVERN	308 PUBLIC ROAD
VETERANS OF FOREIGN WARS POST 4811	123 MARKET STREET
FORD HULL MAR NURSING HOME	212-4TH STREET
PATA PHARMACY	111 WILLIAM STREET
THOMAS L. SNODGRASS, DENTIST	
PROGRESSIVE PRINTING	854 PUBLIC ROAD

SHORT CREEK HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, STEUBENVILLE/WINTERSVILLE, OHIO

JEFFCO RESOURCE INC. - P.O. BOX 72B, STEUBENVILLE, OHIO 43952

SCHIAPPA COAL COMPANY INC. - P.O. BOX 72B, STEUBENVILLE, OHIO 43952

OHIO COAL & CONSTRUCTION CORPORATION - P.O. BOX 2388, WINTERSVILLE, OHIO 43952

STEUBENVILLE 4TH WARD COUNCIL - 123 SOUTH 3RD STREET, STEUBENVILLE, OHIO 43952

VIETNAUM VETERAN SUPPORT GROUP - 317 NORTH STREET, STEUBENVILLE, OHIO 43952

JOHN A. WESTLING AND ASSOCIATES - BOX 792, STEUBENVILLE, OHIO

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, TILTONSVILLE, OHIO

BORKOSKI FUNERAL HOME - 337 JEFFERSON STREET, TILTONSVILLE

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, RAYLAND, OHIO

RAYLAND VOLUNTEER FIRE DEPARTMENT, INC. - 115 WARREN STREET,
RAYLAND, OHIO 43943

SHORT CREEK VALLEY HIGHWAY PROGRAM

ENDORSEMENTS RECEIVED FROM RESOLUTIONS PASSED BY THE FOLLOWING BUSINESS FIRMS, BRIDGEPORT, OHIO

AMERICAN TRUCK DRIVING SCHOOL - 217 NORTH LINCOLN AVENUE,
BRIDGEPORT, OHIO 43912

INDIVIDUAL SIGNATURES FROM VARIOUS COMMUNITIES

ADENA	687
BRIDGEPORT	100
CADIZ - HARRISVILLE	32
DILLONVALE	632
MARTINS FERRY	145
MT. PLEASANT	183
RAYLAND	229
ST. CLAIRSVILLE	5
SMITHFIELD	30
TILTONSVILLE	798
WINTERSVILLE-STEUBENVILLE	192
YORKVILLE	172
RIVERFRONT COMMUNITIES (Toronto, Mingo Junction, Brilliant Bellaire, Shadyside)	79
WEST VIRGINIA COMMUNITIES	26
PENNSYLVANIA COMMUNITIES	2
WHEELING-PITTSBURGH STEEL EMPLOYEES (Martins Ferry Plant)	160
TOTAL SIGNATURES	3,472

TESTIMONY OF MR. THOMAS J. LAUGHMAN GIVEN MONDAY JULY 16, 1990 BEFORE THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE OF THE UNITED STATES HOUSE OF REPRESENTATIVES

GOOD MORNING, GENTLEMEN OF THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE.

MY NAME IS THOMAS LAUGHMAN, PRESIDENT OF THE GUERNSEY COUNTY BOARD OF COMMISSIONERS. ITS MY GREAT PLEASURE TO APPEAR BEFORE YOU THIS MORNING, TOGETHER WITH MY FELLOW GUERNSEY COUNTY COMMISSIONERS, BUD LARRICK AND JEREMY BROCKWELL.

IT IS OUR UNDERSTANDING THAT THE PURPOSE OF THIS HEARING IS TO ASSIST THE COMMITTEE IN ITS INVESTIGATION OF THE NEEDS OF THE NATIONS INFRASTRUCTURE.

AS COMMISSIONERS OF GUERNSEY COUNTY, OHIO, WE DO NOT FEEL WE ARE QUALIFIED TO ADDRESS THE GENERAL NEEDS OF THE NATIONS INFRASTRUCTURE. HOWEVER, WE FEEL WE ARE QUITE WELL QUALIFIED TO ADDRESS THIS COMMITTEE CONCERNING THE NEEDS OF A RURAL COUNTY, FACING THE PROBLEM OF A DETERIORATING INFRASTRUCTURE AND THE LACK OF MEANS TO ADDRESS THAT PROBLEM. NOT ONLY DO WE IN GUERNSEY COUNTY HAVE A PROBLEM WITH MAINTAINING EXISTING INFRASTRUCTURE, WE ARE ALSO FACED WITH AN ERA OF MANDATES IN WHICH AUTHORITIES OF THE STATE AND FEDERAL GOVERNMENTS REQUIRE US TO MAKE LARGE ADDITIONS AND IMPROVEMENTS TO OUR INFRASTRUCTURE, FOR WHICH WE FACE THE SAME PROBLEM OF A LACK OF ADEQUATE FINANCING.

THE FIRST PARTICULAR ITEM OF INFRASTRUCTURE THAT I WOULD LIKE TO ADDRESS, IS ONE WHICH THE PEOPLE OF RURAL COUNTIES, LIKE

GUERNSEY COUNTY, OHIO, ARE ACUTELY AWARE OF. THE PROBLEM OF WHICH I SPEAK IS THE MAINTENANCE AND IMPROVEMENT OF A COUNTY ROAD SYSTEM.

GUERNSEY COUNTY, OHIO, PRESENTLY MAINTAINS 408 MILES OF COUNTY ROADS, 380 BRIDGES, AND DITCHES AND CULVERTS TOO NUMEROUS TO LIST HERE TODAY. AT THE SAME TIME, WE MUST PROVIDE FOR THE MAINTENANCE OF THIS EXTENSIVE SYSTEM OF ROADS AND BRIDGES WITH FUNDS DERIVED ALMOST EXCLUSIVELY FROM TAXES ON GASOLINE AND LICENSE TAGS.

THE PRESENT BUDGET FOR GUERNSEY COUNTY'S HIGHWAY DEPARTMENT IS APPROXIMATELY $2,260,000.00 OF WHICH ABOUT $890,000.00 IS DERIVED FROM THE GAS TAX AND $1,200,000.00 IS DERIVED FROM THE LICENSE TAG TAX.

THE GAS TAX IS COLLECTED BY THE STATE AND FORTUNATELY IS DIVIDED EQUALLY AMONG OHIO'S EIGHTY-EIGHT (88) COUNTIES. UNFORTUNATELY HOWEVER, THE LICENSE TAG TAX IS DIVIDED AMONG THE COUNTIES IN PROPORTION TO THE NUMBER OF TAGS SOLD IN EACH PARTICULAR COUNTY. THE RESULT IS A GLARING DISPARITY BETWEEN THE AMOUNT OF MONEY A RURAL COUNTY IS GIVEN TO MAINTAIN ITS ROADS AND BRIDGES COMPARED TO THE AMOUNT OF MONEY GIVEN TO URBAN COUNTIES TO MAINTAIN THEIR COUNTY SYSTEM OF ROADS AND BRIDGES. FOR EXAMPLE, AS I HAVE ALREADY MENTIONED, GUERNSEY COUNTY MAINTAINS 408 MILES OF COUNTY ROAD, 380 BRIDGES WITH A BUDGET OF $2,260,000.00 DOLLARS. IN COMPARISON, CUYAHOGA COUNTY WHICH HAS ONLY 40 MILES OF COUNTY ROAD TO MAINTAIN HAS TENS OF MILLIONS OF DOLLARS WITH WHICH TO MAINTAIN THOSE ROADS, BECAUSE THEY SELL

HUNDREDS OF THOUSANDS MORE LICENSE TAGS IN CUYAHOGA COUNTY THAN IN GUERNSEY COUNTY.

WE, GUERNSEY COUNTY COMMISSIONERS TOOK THE POLITICALLY RISKY STEP OF IMPOSING AN ADDITIONAL FEE ON THE COST OF LICENSE TAGS. BUT EVEN THIS GENERATES ONLY A SMALL AMOUNT OF ADDITIONAL REVENUE FOR THE MAINTAINENCE AND IMPROVEMENT OF COUNTY ROADS.

ALSO, STATE ISSUE 2, OHIO'S INFRASTRUCTURE BOND FUND HAS PROVIDED US WITH SOME SMALL RELIEF FOR OUR INFRASTRUCTURE FINANCING NEEDS, SOME OF WHICH WE USE ON COUNTY ROADS. THE PROBLEM REMAINS, HOWEVER, THAT RURAL COUNTIES LIKE GUERNSEY COUNTY, OHIO ARE FACED WITH THE PROBLEM OF MAINTAINING AND IMPROVING HUNDREDS OF MILES OF COUNTY ROADS WITH FUNDS GROSSLY INSUFFICIENT FOR THE TASK.

IT IS ALSO IMPORTANT TO SEE THE PROBLEM OF MAINTAINING A COUNTY ROAD SYSTEM FROM THE HUMAN PERSPECTIVE. THE PEOPLE OF GUERNSEY COUNTY DRIVE TO AND FROM WORK AND THEIR RECREATION AND TO AND FROM CHURCH AND TO AND FROM THE MANY HUNDREDS OF ACTIVITIES THAT PEOPLE ARE INVOLVED IN ON A COUNTY ROAD SYSTEM THAT IS BUMPY, AND OFTEN UNSAFE. THIS PROBLEM AFFECTS DIRECTLY THE QUALITY OF LIFE OF THE PEOPLE OF GUERNSEY COUNTY.

ANOTHER PROBLEM FACING RURAL COUNTIES, LIKE GUERNSEY COUNTY, OHIO IS THAT OF DELIVERING SAFE, QUALITY DRINKING WATER TO OUR RURAL CONSTITUENTS. PRESENTLY IN GUERNSEY COUNTY THERE ARE NUMEROUS VILLAGES AND HUNDREDS OF RURAL FAMILIES IN THE UNINCORPORATED AREAS WHO HAVE WATER WHICH IS DISTASTEFUL AND UNSANITARY, AND INADEQUATE IN SUPPLY. EVERYDAY WE HEAR FROM CITIZENS WHO RIGHTLY COMPLAIN THAT THEY HAVE A LACK OF WATER.

OR POOR QUALITY WATER FROM THEIR WELLS. WE AGREE WITH THEM, THAT IN MODERN AMERICA NO ONE SHOULD GO WITHOUT AN ADEQUATE SUPPLY OF SAFE DRINKING WATER. THE PROBLEM IS, HOW DOES A RURAL BOARD OF COMMISSIONERS FINANCE THE MILLIONS OF DOLLARS THAT IT COSTS TO EXTEND SAFE DRINKING WATER TO THE PERIPHERY OF THE COUNTY?

WE UNDERSTAND THAT THERE ARE PRESENTLY BILLS BEFORE THE CONGRESS TO PROVIDE FUNDS TO STATE GOVERNMENT WITH WHICH TO CREATE REVOLVING LOAN POOLS FROM WHICH COUNTIES MAY BORROW AT LOW INTEREST RATES TO FINANCE PROJECTS TO PROVIDE SAFE DRINKING WATER TO THEIR CONSTITUENTS

WE SUPPORT THESE PROPOSALS AND WOULD LIKE TO SEE FEDERAL FUNDING IMPROVED AND EXTENDED. IN ADDITION WE WOULD LIKE TO SEE THE FEDERAL GOVERNMENT GO BEYOND PROVIDING FUNDS FOR REVOLVING LOAN POOLS, TO PROVIDING GRANT FUNDS AS WELL. ONLY IN THIS WAY CAN THE COST OF RUNNING LONG LINES IN RURAL AREAS BE MADE AFFORDABLE TO THE CUSTOMERS OF RURAL WATER SYSTEMS. EVEN WITH LOW INTEREST, BORROWING MONEY TO PAY FOR RURAL WATER SYSTEMS IS UNAFFORDABLE WHEN THE COST OF REPAYING THOSE LOANS MUST BE COLLECTED FROM THE FEES THE CUSTOMERS PAY FOR THE WATER THAT THEY USE. ONLY A COMBINATION OF LOW INTEREST LOANS AND GRANT MONEY, WHICH NEED NOT BE REPAID, CAN POSSIBLY SOLVE THE PROBLEM OF MAKING SAFE DRINKING WATER AVAILABLE AND AFFORDABLE FOR OUR RURAL CONSTITUENTS.

A THIRD PROBLEM THAT WE FACE IN GUERNSEY COUNTY IS THAT OF WASTE WATER TREATMENT. RECENTLY, WITH THE ASSISTANCE OF OUR HEALTH DEPARTMENT, WE COMPILED A LIST OF WHAT WE REFER TO AS

"HOT SPOTS" - THOSE RESIDENTIAL POCKETS AND COMMUNITIES IN GUERNSEY COUNTY THAT ARE IN NEED OF WASTE WATER TREATMENT. THAT LIST PRODUCED MORE THAN 25 "HOT SPOTS" AND I KNOW THAT THERE ARE OTHER AREAS IN GUERNSEY COUNTY THAT WE HAVE NOT COUNTED.

RECENTLY, THE OHIO ENVIRONMENTAL PROTECTION AGENCY MANDATED THAT WE INSTALL SEWER SYSTEMS IN TWO COMMUNITIES IN THE UNINCORPORATED AREAS OF GUERNSEY COUNTY.

THE GUERNSEY COUNTY COMMISSIONERS DID NOT OBJECT TO THESE MANDATES BECAUSE ESSENTIALLY WE AGREE THAT THE NEED TO PROVIDE SEWER TO THESE TWO PARTICULAR AREAS EXIST. IN FACT, AS I HAVE ALREADY MENTIONED MANY MORE THAN THESE TWO AREAS ARE IN NEED OF SEWER IN GUERNSEY COUNTY. WE ARE PRESENTLY INVESTIGATING THE MEANS BY WHICH GUERNSEY COUNTY WILL FINANCE THE INSTALLATION OF THESE TWO MANDATED SEWER PROJECTS. WE FEEL THAT WE DO HAVE THE BONDING CAPACITY TO FINANCE THE~~SE TW~~O PARTICULAR PROJECTS. THE QUESTION REMAINS, HOWEVER, HOW WILL GUERNSEY COUNTY FINANCE THE MANDATES WHICH ARE SURE TO COME IN THE FUTURE TO PROVIDE SEWER TO THE OTHER AFFECTED AREAS IN OUR COUNTY, WHEN OUR BONDING CAPACITY HAS BEEN USED UP?

ON ANY WARM DAY, A PLEASANT DRIVE THROUGH RURAL GUERNSEY COUNTY WILL BE INTERRUPTED MORE THAN ONCE WITH THE UNPLEASANT SMELL OF UNTREATED SEWAGE. AGAIN, AS I MENTIONED IN RELATION TO SAFE DRINKING WATER, WE FEEL THAT NO CITIZEN OF MODERN AMERICA SHOULD BE COMPELLED TO LIVE WITHOUT ADEQUATE WASTE WATER TREATMENT. THE HEALTH AND QUALITY OF LIFE OF OUR CITIZENS DEMANDS THIS. THE GUERNSEY COUNTY COMMISSIONERS WOULD SUPPORT ANY EFFORT BY THE CONGRESS TO PROVIDE FEDERAL AID TO THE STATE AND LOCAL

GOVERNMENTS TO ASSIST IN MAKING SEWAGE TREATMENT AFFORDABLE AND AVAILABLE TO EVERYONE.

AGAIN, ON BEHALF OF MY FELLOW GUERNSEY COUNTY COMMISSIONERS, BUD LARRICK AND JEREMY BROCKWELL, I'M TOM LAUGHMAN AND I WOULD LIKE TO THANK THE MEMBERS OF THE COMMITTEE FOR THEIR PATIENCE IN HEARING ME TODAY.

Public Works and Transportation Committee

Honorable Glenn Anderson, Chairman

Hearing on Infrastructure
St.Clairsville, OH 43950
July 16, 1990

Testimony of Donald Myers
Director of Development
Community Improvement Corporation

Infrastructure Funding

Recently our office compiled a list of infrastructure needs for Belmont County. That list exceeded 175 million dollars with the completion of State Route 7 using 70 million dollars. Our County has 78,200 people and nearly half are without sewerage and nearly 25% without adequate water supply.

It is difficult to speak of new development of infrastructure when much of existing infrastructure is in such need of repair.

Our largest industry within Belmont County is Wheeling Pittsburgh Steel Corp. which employees over 600 people. This industry located in Martins Ferry, Ohio uses nearly 25 million gallons of water monthly. The water lines that feed this plant are nearly 80 years old. Average unemployment in the 18th district is 7.5%. We cannot afford to lose existing jobs because of insufficient existing infrastructure. If we expect to compete in the global world we must have federal funds for infrastructure.

On December 21, 1987 the Belmont County Commissioners purchased a 158 acre tract of land, 400 yards north of Interstate 70, for the purpose of developing an Industrial Park. During the past two and a half years five potential developers have looked at the site and all have said no because the site lacks water, sewer and roadway into the park. Very few counties have the financial resources to develop green fields. Federal programs must be available if this industrial park is to succeed.

Closing: The Federal Government has drastically reduced the amount of money available for economic development projects. Programs such as UDAG, ARC, EDA and FmHA have either been eliminated or greatly reduced. The Federalism program has put financial strain on both State and Local government. It is my honest feeling that this Public Works and Transportation Committee under the direction of Chairman Glenn Anderson plays the most important role to economic development growth and recovery.

United States House of Representatives
Committee On
Public Works and Transportation

Hearing:	St. Clairsville, Ohio
Date:	July 16, 1990
Testimony:	Daniel L. Neff, Economic Development Specialist Ohio Mid-Eastern Governments Association Cambridge, Ohio 43725

Thank you for this opportunity to testify about such a vitally important topic: the future of our nation's infrastructure. During the time allotted to me, I would like to briefly touch upon three significant areas of concern that I have in relation to this topic:

- the importance of adequate infrastructure in the economic development process
- the financial and technical limitations of many rural local governments
- the growing infrastructure crisis facing our country

The Importance of Adequate Infrastructure in the Economic Development Process.

The phrase "economic development" has a fairly generalized meaning and is used in connotation with almost anything that involves the employment base of an area. However, at the heart of any local economic development plan is the need for adequate infrastructure. Good highways and water and sewer systems with the capacity to handle increased loads are often key factors in attracting new industries to an area.

Federal programs such as the Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC) recognize this linkage and were, in fact, created with infrastructure development being the major priority. In my role as an Economic Development Specialist with the Ohio Mid-Eastern Governments Association (OMEGA), I work with nine counties in the Appalachian region of Ohio. This has given me the opportunity to see just how effective both EDA and ARC have been in providing infrastructure development that creates jobs (despite the substantial budget cuts of the past decade.)

Funds from these programs have been essential in creating and retaining thousands of jobs in the nine-county OMEGA District alone. These projects have included such activities as industrial park development, downtown improvements, and the creation of regional shopping malls. They have not only provided the impetus for creating employment but have also played a significant role in improving the quality of life for area residents. While we are still considered to be a part of an economically distressed region, it is painful to imagine just how much worse the situation would be without these programs.

At the state level, there is also recognition of the special infrastructure needs of Appalachian counties. During recent forums conducted in southeastern Ohio by Ohio Department of Development Director David Baker and Governor's Office of Appalachia Director Randy Runyon, testimony was provided by local officials, area residents, and development personnel. Perhaps the most talked about issue at these meetings concerned the need for adequate infrastructure to encourage local economic development.

As a result of the input provided at these forums, a special report highlighting the needs of Ohio Appalachia was released. One of the primary strategic goals of this report is to "improve the region's ability to attract new firms by investing in infrastructure important to industry and increasing the region's ability to recruit new firms." In order to accomplish this, the Department of Development plans to:

* initiate a pilot speculative industrial building project
* develop a low interest, principal deferable, loan program for water and sewer extension to green field sites
* encourage the implementation of key highway projects in the region

The Financial and Technical Limitations of Many Rural Local Governments

A recent article in the New York Times examined the increasing difficulty of governing in small town America. It pointed out that many small local governments do not have the manpower, expertise, or financial capability to meet the growing responsibilities placed upon them by the state and federal governments.

While the Regan Administration emphasized decentralization, it also drastically cut funding for agencies whose programmatic directives were now to be carried out by local government. In addition, the General Revenue Sharing program was not re-enacted by Congress, thereby eliminating for many local governments their primary source of federal aid. This, coupled with increased federal and state regulatory requirements and declining tax bases (due to population losses) have left local officials struggling to find solutions to their growing list of problems.

A good example of this problem can be seen by examining the various health and environmental mandates being given to local governments to improve their present water and/or sewage systems. While a number of laws have been passed to improve standards, not nearly enough funds have been appropriated to complete the task. As a result, local governments often have to drag their feet (and face severe financial penalties) simply because they do not have the financial capability or expertise needed to comply.

The Growing Infrastructure Crisis Facing Our Country

During this hearing and others like it, this Committee has heard the call from concerned citizens and public officials about the need of the federal government to do more to preserve our nation's infrastructure. Numerous studies have shown that our highways and bridges are deteriorating and that our water and sewage systems just don't meet proper standards.

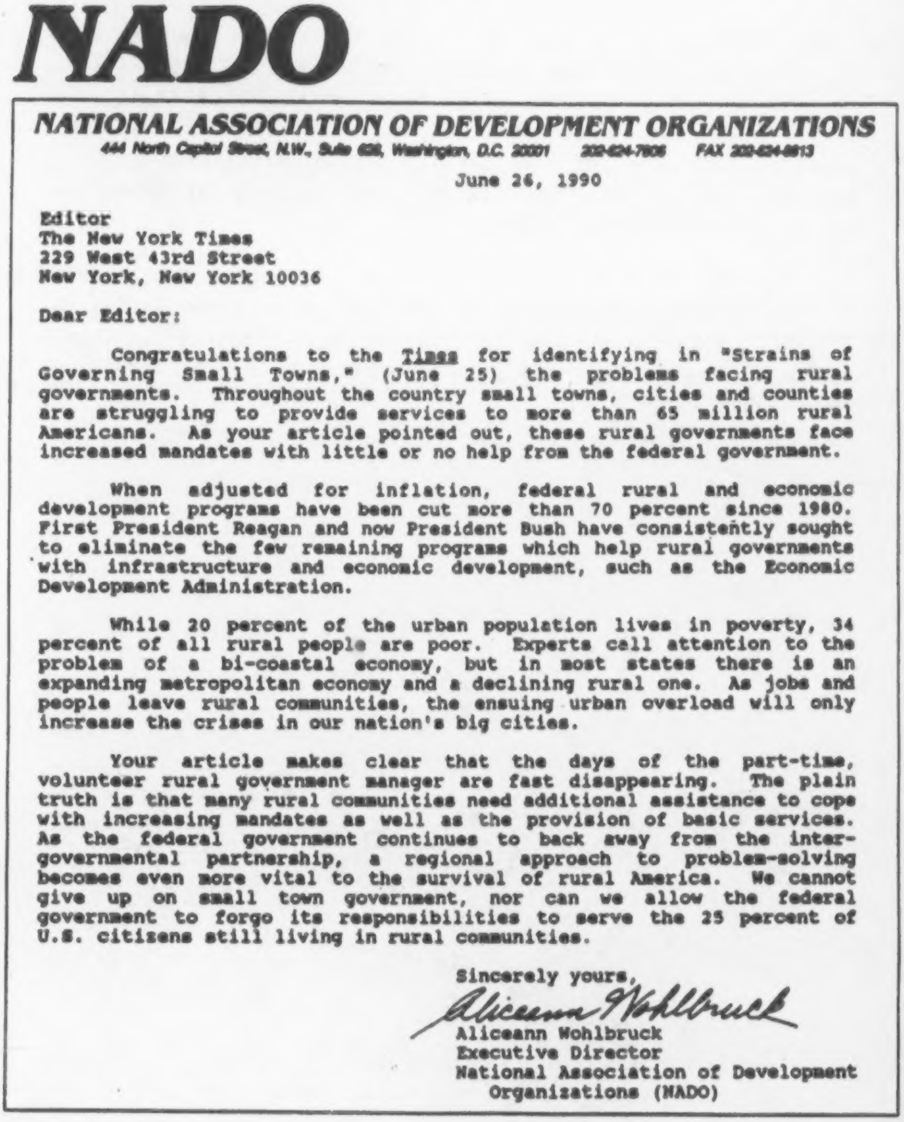
While the federal government can surely not solve the problem alone, neither can it completely back away and leave it up to the state and local governments to develop policy. The difficult task is determining what exactly should be done to deal with this issue, for money alone will not solve the problem. I urge this Committee to take the steps necessary to establish a national infrastructure priorities system and to do all it can to insure that necessary funds are appropriated.

We all know that this problem is not simply going to go away. It behooves all three levels of government to reestablish and strengthen the intergovernmental linkages necessary to meet this head on; in a timely fashion before the situation worsens.

In conclusion, I would like to commend this Committee for its efforts in keeping programs like ARC and EDA functioning, and encourage it to do all that can be done to increase appropriations to previous levels. (As indicated in Exhibit "A", the National Association of Development Organizations estimates that, when adjusted for inflation, federal rural and economic development programs have been cut more than 70 percent since 1908.) It is programs like these that can do much to help alleviate our national infrastructure problem.

Exhibit "B" provides a long list of the infrastructure needs for just OMEGA's nine counties. Similar needs exist across the country. With that in mind, I encourage this Committee to do all it can to insure that this growing problem is met in a decisive way. Thank you.

EXHIBIT "A"



NADO

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
444 North Capitol Street, N.W., Suite 630, Washington, D.C. 20001 202-624-7806 FAX 202-624-8813

June 26, 1990

Editor
The New York Times
229 West 43rd Street
New York, New York 10036

Dear Editor:

Congratulations to the Times for identifying in "Strains of Governing Small Towns," (June 25) the problems facing rural governments. Throughout the country small towns, cities and counties are struggling to provide services to more than 65 million rural Americans. As your article pointed out, these rural governments face increased mandates with little or no help from the federal government.

When adjusted for inflation, federal rural and economic development programs have been cut more than 70 percent since 1980. First President Reagan and now President Bush have consistently sought to eliminate the few remaining programs which help rural governments with infrastructure and economic development, such as the Economic Development Administration.

While 20 percent of the urban population lives in poverty, 34 percent of all rural people are poor. Experts call attention to the problem of a bi-coastal economy, but in most states there is an expanding metropolitan economy and a declining rural one. As jobs and people leave rural communities, the ensuing urban overload will only increase the crises in our nation's big cities.

Your article makes clear that the days of the part-time, volunteer rural government manager are fast disappearing. The plain truth is that many rural communities need additional assistance to cope with increasing mandates as well as the provision of basic services. As the federal government continues to back away from the intergovernmental partnership, a regional approach to problem-solving becomes even more vital to the survival of rural America. We cannot give up on small town government, nor can we allow the federal government to forgo its responsibilities to serve the 25 percent of U.S. citizens still living in rural communities.

Sincerely yours,

Aliceann Wohlbruck

Aliceann Wohlbruck
Executive Director
National Association of Development
Organizations (NADO)

EXHIBIT "B"

CAPITAL IMPROVEMENT NEEDS INVENTORY
OMEGA DISTRICT
1990

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
BELMONT	Development of 125 Acre Industrial Park	$2,000.000	ARC, EDA FmHA	X		
	Right of Way Clearance (York Township)	$71,706	CDBG	X		
	Colrain Sanitary Sewer Collection (Tie into Belmont County Sewer Authority #1)		EPA, FmHA	X		
	Barton-Maynard-Lafferty Area Sewers		EPA, FmHA	X		
	Neffs Sanitary Sewer		Local	X		
	Water and Sanitary Sewer Extensions throughout Rural Belmont County		FmHA, EDA Arc, EPA, HUD	X		
	A new Fire station to house at least (5) currently operated emergency, rescue and fire vehicles (50' X 60') (Yorkville)		EPA, HUD		X	
	New Water treatment plant including new apparatus for treating, storing, and pumping water for Village and Warren Water Authority (Yorkville)		EPA, HUD	X		
	The Ohio 7 and Hanover Streets intersection be changed so traffic flow could improve, and overpass be constructed (Martins Ferry)		ODOT ARC EDA	X		
	A second access in the Crawford Heights Area Development Park, Terrace I (Martins Ferry)		ODOT, ARC EDA		X	
	Access Road in the Crawford Heights Area where the City owns 100 acres already connected to City water and sewer systems (Martins Ferry)	$1,200,000	FmHA, ARC	X		
	Hospital Access Road (Martins Ferry)		Local		X	
	Sanitary Sewer Renovation (Shadyside)	$258,012	CDBG		X	
	38th Street storm sewer (Shadyside)	$850,000	Local	X		
	Martins Ferry Waterline	$574,000	ARC, Local	X		
	Belmont County Waterline (Rt.331) (Ind. Park)	$650,000	ARC, Local	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	PRIORITY 2	PRIORITY 3
BELMONT (Con't)	Water Connection with county system (Shadyside)	300,000	FmHA	X		
	Pave City Streets (Shadyside)	1,500,000	Local	X		
	Upgrade City Water District System (Shadyside)	800,000	HUD, FmHA	X		
	Water Extension to Hillandale Farms	285,000	ARC			
	Upgrade Water System(Bellaire)	36,400	CDBG	X		
	New Water Tank (Bellaire)	400,000	ISS 2	X		
	Repairs to Dams at 2 Water Storage Reservoir (Bellaire)	500,000	ISS 2 OWDA	X		
	Dredging Silt from Water Supply Reservoir (Bellaire)	300,000			X	
	Expand Water Treatment Plant (Bellaire)	1,000,000			X	
	Street Construction (Bellaire)	50,000	Local			X
	Municipal Swimming Pool (Bellaire)	298,577	CDBG	X		
	Recreation & Senior Citizens Center (St.Clairsville)	350,000	CDBG	X		
	Storm Sewer Extension (St.Clairsville)	25,500	CDBG	X		
	Improvement to Reservoir (Shadyside)	200,000	ISS 2	X		
	Reservoir Improvement (St. Clairsville)	150,000	ISS 2 CDBG	X		
	Sanitary Sewer District Phase I Water Transm. to Neffs Phase II Water Transm. - Neffs to SR 9 (St. Clairsville)	2,975,000	Local, ARC FmHA	X		
	Fox-Shannon Sewer Plant & Collection System	1,000,000	Local, ARC	X		
	Water Well Upgrading & Transmission	1,500,000	Local, FmHA	X		
	Rt. 40 West Sanitary Sewer	4,266,240	Local, ARC FmHA	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
CARROLL	Addition and Develop Carrollton Parks	$ 20,000	ODNR		X	
	100 Acre Industrial Park Acquisition & Acq. extend sewer and water	200,000	ARC FmHA, EDA			X
	Community Hall for Sherrodsville	100,000	Local		X	
	Community Building and Firehouse (Malvern)	45,000	Local		X	
	Acquisition and Development of Park (Dellroy)	45,000	ODNR		X	
	Upgrade and equip existing Sherrodsville Park	40,000	ODNR		X	
	Additional Storm Sewers (Malvern)	40,000	ODNR		X	
	Off Street Parking, downtown Carrollton (Acquisition of Site, Demolition-Paving)	230,000	Local	X		
	Elderly Housing (Malvern)	1,500,000	FmHA	X		
	Water System & Treatment Plant (Leesville)	350,000	CDBG	X		
	Sanitary Sewer Rehab - Trunk Lines (Carrollton)	350,000	CDBG	X		
	Industrial Park Improvement and Expansion (Village of Minerva)	310,000	ARC	X		
	Veterans Community Health Center	325,000	ARC CDBG	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
COSHOCTON	Industrial Access Road	$ 450,000	Local	X		
	North Quarter (Route 36 East to Airport) Waterline and Storm Sewer	2,000,000	ARC, EDA FmHA	X		
	Replacement Bridge Route 16 into Coshocton near Browns Lane	2,000,000	ODOT Issue 2	X		
	Lafayette Township Water District (Waterline and Sewer to subdivisions)	3,000,000		X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
GUERNSEY	Sewer Line Ext. to Palmer Heights Addition (Byes.)		EPA, FmHA		X	
	Enclose Drainage Ditch through middle of Town with tle to prevent flooding (Byes.)		HUD	X		
	New sidewalks throughout town w/special downtown construction to aid handicapped (Byes.)		Local	X		
	Additional Parking Facilities (Byes.)		Local	X		
	Additional Water Storage Facilities (Byes.)		ARC, FmHA EDA, HUD	X		
	Dike Sewer plant to prevent flooding (Byes.)		EPA	X		
	New discharge lines and pumps at sewer plant to provide operation when creek level is too high (Byes.)		EPA	X		
	Enlarge sewer plant and distribution system (Byes.)		ARC, EPA HUD	X		
	Enlarge and improve storm sewer system (Byes.)		Local	X		
	Curb streets and install storm sewers (Byes.)		Local			X
	First phase water distribution system includes: Electrical service facili. and Auxilary generating equip. (Camb.)			X		
	Fairground Grandstand	$600,000	CDBG .	X		
	North Salem Waterline Ext.		CDBG	X		
	Rt. 313 - 660 Waterline Ext.		CDBG	X		
	Bridge Replacement Madison Twp. County Rd. 82 Oxford Twp. Rd. 49 Wigginton Bridge Oxford Twp. East of SR "513" Wheeling Twp. Rd. 384 Plum Rd. Millwood Twp. Rd. 4954		ISS 2	X		
	Washwater lagoons (Camb.)					X
	Neighborhood Street Paving (Camb.)	$63,500	•CDBG	X		
	12" water main from Highland Avenue to S.R. 723 (Camb.)			X		
	Second phase water distribution sys. (Camb.)				X	
	Replace all bridge crossing Wills Creek (Camb.)		Local			X

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
GUERNSEY (con't)	Upgrade water plant (Quak.City)		FmHA	X		
	Repair sewer disposal plant (Quak.)		FmHA,EPA	X		
	Ext. of sewer & water lines (Quak.)		EPA,Local	X		
	Constr. of Building to house city equip. (Quaker City)		Local	X		
	Rebuild both Guernsey County Garages (Camb.)		Local	X		
	Repair 10th Street Bridge in Byes.		Local	X		
	Construct multi-purpose building to serve as disaster center, senior citizens center, public meeting & affairs center, firehouse and local government office building (Lore City)		HUD	X		
	Constr. drainage and storm sewers through the village (Lore City)		Local		X	
	Purchase ground and erect utility building (Pleasant City)		Local	X		
	Constr. filtration plant for water supply (Pleasant City)		FmHA		X	
	Constr. sewage disposal system (Pleasant City)		FmHA,EPA		X	
	Pave Village streets and provide for drainage of surface water (Salesville)		Local	X		
	Improve county roads-county rd. 411, county rd. 15 (Westland Twp.)		Local		X	
	Provide a public twp. dump (Londonderry)		Local	X		
	Provide twp. recreation facilities (Londonderry Twp.)		ODNR	X		
	Constr. drainage systems to eliminate erosion of roads (Jackson Twp.)		Local	X		
	Ext. water & sewer lines to provide service to those outside of corporate and village boundaries within the twp. (Jackson Twp.)		EPA,FmHA			X
	I-70/77 Access Road Improv.	$ 50,000	ARC	X		
	Camb. Sewer Plant Improv.	5,623,000	ARC,EPA, FmHA,Local	X		
	Camb. 2nd Street Ext.	350,000	ARC	X		
	Byesville Water Main	300,000	ARC	X		
	Kimbolton Waterline Ext.	200,000	FmHA,Local	X		
	Salt Fork Water Treat. Plant	3,000,000	ARC,Local	X		
	Guernsey County Jail	4,000,000		X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	PRIORITY 2	PRIORITY 3
HARRISON	Moorefield Township Water Dist.	$2,000,000	FmHA	X		
	Dist. #1 Sewer & Water Improv.	500,000	EPA, FmHA	X		
	Tie Down & Hanger Space at Airport	175,000	FAA	X		
	Dist.#2 Sewer & Water Improv.	600,000	EPA, FmHA		X	
	Dist.#3 Sewer & Water Improv.	300,000	EPA, FmHA	X		
	Green Township Park Development	15,000	ODNR		X	
	Sewer System (Freeport)	1,400,000	EPA, FmHA	X		
	Updating Village Water System (Freeport)	500,000	FmHA Issue 2	X		
	Waterline Extensions (Deersville)	50,000	FmHA	X		
	Sewer System (Deersville)	1,200,000	EPA, FmHA	X		
	Storm Sewer Improv. (Deersville)	42,600	Local		X	
	Sewer System (Harrisville)	850,000	EPA, FmHA	X		
	Storm Sewer Repair (Harrisville)	39,000	Local	X		
	Waterline Improv. (New Athens)	60,000	FmHA&I-2	X		
	Street Paving (New Athens)	35,000	Local		X	
	Sewer System (New Athens)	1,300,000	EPA, FmHA	X		
	Water Plant Expansion (Jewett)	260,000	FmHA	X		
	Upgrading Streets (Jewett)	80,000	Local		X	
	Acquisition of land & construction of Recreation Facility (Jewett)	32,000	ODNR			X
	Sewer System (Jewett)	1,800,000	EPA, FmHA	X		
	Water Street Bridge (Jewett)	30,000	Issue 2	X		
	Parkland Purchase, 5 acres (Jewett)	5,000	Local		X	
	Off Street Parking (Jewett)	10,000	Local	X		
	Purchase & Develop 2½ acres (Jewett)	32,000	Local	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
HARRISON (Con't)	Storage and Supply Building (Bowerston)	40,000	Local		X	
	Cutting & Repaving Street (Bowerston)	100,000	Local	X		
	Replacement & Cleaning of portion of Village (Bowerston)	141,500	Local	X		
	Acquisition, Demolition, & Off Street Parking (Bowerston)		Local	X		
	Develop Park-10 Acres(Bowerston)	15,000	ODNR		X	
	Water Treatment Plant (Scio)	370,000	FmHA I-2	X		
	Carson Street Repair (Hopedale)	78,000	Local	X		
	Municipal Equipment Storage Building (Hopedale)	10,000	Local		X	
	Main Street Paving Project (Hopedale)	25,000	Local	X		
	Improv. Water System (Hopedale)	300,000	FmHA I-2	X		
	Access Rd. to New Cemetary (Athens Township)	10,000	Local	X		
	Purchase used backhoe-loader for Road & Cemetary use(Athens Twp)	8,000	Local	X		
	New Township Building (Freeport Township)	50,000	Local	X		
	Elderly Housing (New Athens/ Hopedale)	2,000,000	FmHA		X	
	New Water Treatment Plant(Cadiz)	2,000,000	I-2 Local	X		
	Sanitary Sewer Improv. and Expansion (Cadiz)	200,000	FmHA	X		
	General Road Improvements Cadiz	200,000	Local	X		
	U. S. Rt. 250 tie-in to I-70, to provide improv. access through Harrison County					

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
HOLMES	Remodeling & Renovation of Courthouse		HC & RS		X	
	Construction of Holmes County Jail	$4,000,000	Local	X		
	Additional County Garage Space		Local		X	
	Berlin Sewer Improvements	$ 560,000	Issue 2 FmHA	X		
	Millersburg Infrastructure - Economic Development Project	$ 250,000	ARC	X		
	Millersburg Downtown Revitalization Infrastructure Pro.	$ 500,000	Issue 2	X		
	Lake Buckhorn Sewer Improvements		FmHA		X	
	Senior-Community Center	$ 650,000	Area Aging CDBG	X		
	CR23 Bridge Replacement	$ 300,000	Issue 2		X	
	Berlin Water Improvements	$ 160,000	ARC	X		
	Nashville Water Improvements	$ 50,000	Issue 2	X		
	Millersburg Sanitary Sewer Improvements	$ 75,000	Issue 2	X		
	Glenmont Water Improvements	$ 100,000	Issue 2	X		
	Millersburg Storm Drainage Imp.	$ 50,000	CDBG	X		
	Monroe Township Road Improvements	$ 10,000	CDBG	X		
	Glenmont Senior Center Imp.	$ 23,000	CDBG	X		
	Loudonville Industrial Park Infrastructure	$1,400,000	EDA, CDBG 412	X		
	Millersburg-Berlin Area US62/SR39 Bypass		ODOT			X
	Millersburg(south) US62/SR83 Widening		ODOT			X
	Holmesville Street Improvements	$ 10,000	CDBG	X		

COUNTY	PROJECT	COST	Funding SOURCE	PRIORITY 1	2	3
JEFFERSON	Housing and Community Center for the Elderly (Wintersville)					
	Public Transportation System for the Elderly (Wintersville)		CAP			
	Construction of New Engineering Garage		Local			
	Development of the Corridor from Reeds Mills to the Ohio River - U.S. Route 22		ODOT		X	
	Upgrading of S.R. 150 & 152		ODOT		X	
	Correction of Slip on County Road 55		Local	X		
	Bridge Replacement on County Road 43		Local	X		
	Development of Short Creek Watershed Project		ODNR, EPA		X	
	Short Creek Estuary Dredging		ODNR, EPA	X		
	Connorville Flood Wall Construction		Corps of Engineers	X		
	Installation of Friendship Park Water System		FmHA, ODNR		X	
	Development of an Industrial Park		HUD,EDA ARC,FmHA	X		
	Development of a Housing Rehab Assistance Program		HUD, FmHA	X		
	Assistance to the Volunteer Fire Departments		ODNR	X		
	Assistance of the Volunteer Emergency Providers		ODNR	X		
	Establishment of a Public Transportation System for the Elderly and the Handicapped		CAP	X		
	Installation of Sidewalks in Heavily Traveled Rural Areas		Local	X		
	Wastewater Steps II & III (Wintersville)	$7,200,000	EPA		X	

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY		
				1	2	3
JEFFERSON (con't)	Wastewater Steps II & III (Dillonvale/Mt. Pleasant)	$4,000,000	EPA	X		
	Yorkville Grant for Secondary Treatment	1,300,000	EPA	X		
	Step I, Design and Construction (Smithfield)	5,000,000	EPA	X		
	Sewer Plant Expansion and Filter Towers (Toronto)	5,000,000	EPA			X
	Storm Drainage Study (Toronto)	25,000	CDBG	X		
	Wastewater Steps II & III (Richmond)	3,000	EPA		X	
	Mingo Junction, Brilliant, New Alexander Wastewater Steps II & III	8,600,000	EPA		X	
	Widen and Resurface County Road (C.R.) 5	145,000	Local	X		
	Resurface 1.43 miles of C.R. 42	40,000	Local		X	
	Irondale Bridge Replacement	198,000	Local	X		
	Replace JFK Highway Bridge	100,000	Local	X		
	Replace Will Creek Bridge, C.R. 10	100,000	Local	X		
	General Bridge Improvement	50,000	Local			X
	Bergholz Bridge Replacement	200,000	Local		X	
	Improve Brilliant Water System	915,000			X	
	County Water System Improvements	8,000,000			X	
	Friendship Park Water Main	75,000			X	
	Jefferson County Workshop	1,000,000	Local		X	
	Rayland Dock Improvements	220,000	Local		X	
	Water Supply and Treatment (Mingo Junction)	6,000,000	EDA	X		
	Downtown Revitalization (Mingo Junction)	156,000	CDBG	X		
	Adena Waterline Extension	700,000	ARC	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
MUSKINGUM	Zanesville Inudstrial Park			X		
	Airport Interchange Sewer	$8,278,500	EDA, FmHA	X		
	Improvement and Widening Fairview Road		ARC			
	New Bypass - West of City of Zanesville		ODOT			
	Improvement and Possible Creation of new sanitary landfill for Muskingum County		EPA			
	County Facilities Plan		HUD			X
	Philo New Concord Frazeysburg City of Zanesville - Muskingum Co.					
	Access Road at Airport		EDA, ARC		X	
	Connecting Road to serve Industrial Park (State Route 60 to S.R. 146) Kearns Road to Brandywine Blvd.		EDA, ARC		X	

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY		
				1	2	3
TUSCARAWAS	Storm/surface water disposal system (Strasburg)		Local	X		
	Addition to sewer and water plants (Strasburg)		FmHA, ARC			X
	Development of Strasburg and Mineral Industrial Parks and Sites		HUD, ARC, EDA, FmHA			X
	City of New Philadelphia Water Development		Local	X		
	Expansion of existing and additional Industrial Parks (New Philadelphia)		HUD, ARC EDA, FmHA		X	
	Restoration, development and provision of support facilities for railroad in Dennison, Schoebrunn and County Courthouse		Local			X
	Alleviation of flooding and pollution (Dover)	304,243	CDBG	X		
	Expansion of Dover Industrial Park and Uhrichsville Industrial Park		HUD, ARC EDA, FmHA	X		
	Bolivar Industrial Park Access Road (Additional)		ARC		X	
	Storm Sewer system (New Philadelphia)	2,900,000	Local	X		
	Improvements to Water Treatment Plant (New Philadelphia)	100,000	Local		X	
	New Philadelphia Downtown Improvement Project	2,394,514	ARC, CDBG, Local	X		
	11th Street Storm Sewer Construction (Uhrichsville)	42,000	Local	X		
	Combined sewer separation Grant, Center and Sherman Streets (Dennison)	460,000	Local, EPA	X		
	Combined sewer separation/Hughes and 5th (Dennison)	100,000	Local, EPA	X		
	Neighborhood Street Storm Sewer (Newcomerstown)	50,000	EPA	X		
	Perry Township Road Improvement	100,000	Local	X		

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY 1	2	3
TUSCARAWAS (Cont't)	Two new storm sewers: 1) 2nd & North to Little Stillwater and 2) 3rd to Fuhr to 2nd (Dennison)	$105,000	Local	X		
	Elderly Rural Rental Housing (Sugarcreek)	1,000,000		X		
	Rehab of Downtown Hotel for Elderly Housing (Uhrichsville)	1,000,000		X		
	Acquisition and Demolition Program (Uhrichsville)	110,000	Hud	X		
	Water Distribution System and Reservoir (Gnadenhutten)	210,000	FmHA	X		
	Water System improvements-design and construction (Midvale)	110,000	FmHA		X	
	Design and construction of 8" water main (Midvale)	90,000	FmHA		X	
	Design and Construction of 250,000 gallon water tank (Midvale)	140,000	FmHA, EDA ARC		X	
	Main Street Storm sewer (Village of Tuscarawas)	120,000	Local		X	
	New Water Supply & Extended Sewer Lines (Warwick TWP)	750,000	EPA	X		
	Addition and remodeling of water department Building (Strasburg)	80,000	Local	X		
	Water system expansion in South Wooster (Strasburg)	100,000	Local		X	
	Improvement and Beautification of Main Street (Zoar)	110,000	Local NC & HS		X	
	Social Meeting place and public toilets ARI station (Zoar)	85,000	Local	X		
	Sewer System for the Booth & Mizer subdivision in Oxford Township	211,000	FmHA	X		
	Water Supply for Stonecreek	518,000	FmHA	X		
	Water & Sewerline under Tuscarawas River at I-77 adn S.R. 39	800,000			X	

COUNTY	PROJECT	COST	FUNDING SOURCE	PRIORITY		
				1	2	3
TUSCARAWAS (con't)	Village of Mineral City and Sewer (New and Repair)	$1,000,000		X		
	Upgrade Fire Dept. (Newcomerstown Rush Twp. Warwick Twp.)	150,000		X		
	Public Water & Public Sewer Improvement (Roswell)	250,000		X		
	Install Storm Sewers on Main Street (Roswell)	100,000		X		
	Reiser Avenue Improvement and Expansion - New Philadelphia Industrial Park	1,500,000		X		
	Roanoke Water Improvements Phase III - Water Tank	320,000		X		
	Water Well Field Improvements (Village of Bolivar)	20,250	ISS 2	X		
	Water Storage Improvements (Village of Bolivar)	118,200	ISS 2	X		
	Storm Sewer Replacement (Village of Bolivar)	102,000	ISS 2	X		
	Fire Hydrant Replacement (Village of Bolivar)	15,525	ISS 2	X		
	Water Main Replacement (Village of Bolivar)	4,500	ISS 2	X		

NOTES

All projects are presented according to their respective counties, these names appear in the top left hand corner of each page. Village and City names within the county appear in parenthesis beside each project, if no name is listed it is a county project.

Abbreviation code used to identify potential funding sources.

FEDERAL AGENCIES

ARC	Appalachian Regional Commission
EDA	Economic Development Administration
EPA	Environmental Protection Agency
FmHA	Farmer's Home Administration
HCRS	Heritage Conservation and Recreation
HEW	Health, Education and Welfare
HUD	Housing and Urban Development
LEAA	Law Enforcement Assistance Agency

STATE AGENCIES

ODOT	Ohio Department of Transportation
ODNR	Ohio Department of Natural Resources
OLEAA	Ohio Law Enforcement Assistance Administration

LOCAL AGENCIES

CAP	Community Action Program
LOCAL	Local Funds

Explanation of Priority Rankings

Priority 1	An Immediate Need
Priority 2	Needed within two to three years
Priority 3	Needed within four to six years

HONORABLE BOB OLEXO
BELMONT COUNTY COMMISSIONER

INFRASTRUCTURE NEEDS
OF
BELMONT COUNTY

July 16, 1990

In order to serve the needs of the citizens of Belmont County, we have prepared a listing of some of our main infrastructure needs. These needs are primarily in the areas of water line facilities, sewers, bridges and roads. Our cities, villages and sixteen townships also have additional need for funding, but this report will concentrate on the overall infrastructure needs of Belmont County.

A. Relocate State Route 7 through Bellaire, Ohio. Present road winds through a large section of the downtown area, with numerous turns, traffic lights and bottlenecks. Present situation is a major problem for residents of Bellaire plus travelers of State Route 7, which is a major North/South artery of the heavily populated eastern portion of the county.

B. Establishment of a Port Authority for Belmont County. This agency would actively oversee the location of business and industry within Belmont County, thus creating much needed jobs within the area.

C. Construction of an access road(s) plus sewer facilities into the Industrial Park Complex in the Route 331 area. The roads and sewer facilities are urgently needed to attract light industrial firms to relocate into this area. These firms would also create employment.

D. Construction of road and sewer facilities into the new county jail site. Land has been designated for the construction of a new jail and detention facility. Present facility is approximately 100 years old and vastly out of compliance with state and federal regulations. The installation of road and sewer facilities would expedite the construction of this much needed facility.

E. Relocating of State Route 800 running north and south from I-70 through the Barnesville area. The present road winds and twists through the downtown area of Barnesville. The relocating of this highway would act as a better link in connecting traffic with the east/west flow of I-70.

F. Develop the area around Exit 208 of I-70 in the Morristown area. This is an excellent area to attract small business and light industry, with easy access to I-70.

G. Numerous additions and updating of the County Water and Sewer system. The Belmont County Sanitary Sewer District improvement and expansion is the key to the future development of commercial, industrial and residential areas of Belmont County. Currently the District has reached its maximum out-put potential in water production and distribution.

With the added demand for our service, water distribution and collection systems are an integral part for future development of Belmont County.

The District has a potential of treating three (3) million gallons of water per day, but can only distribute two (2) million per day with existing system. The water system has been evaluated by a professional engineer with the following recommendation and cost involved to increase production to meet future needs of the County.

1. Phase I Water System Improvement would consist of the installation of a 24" water line from the Water Plant to Neffs area and construct a two (2) million gallon water storage tank on State Route 331 to serve the Western part of Belmont County. The estimated cost is $2,600,000.00.
2. Phase II Water System Improvement would be the construction of a 24" water line from Neffs to State Route 9 South of St. Clairsville. Water Treatment Plant expansion to increase the treatment capacity to six (6) million gallons per day, estimated cost $ 4,900,000.00.
3. Well and pump renovation to increase the potential to pump raw water from the well to the Water Plant, estimated cost $ 700,000.00
4. Many residents of Belmont County must rely on wells and/or springs for their domestic water supplies. To extend water into the various areas of Belmont County the cost would be $3,000,000.00

   The Belmont County Sanitary Sewer District presently has only one source of obtaining funds to institute the water projects. The Farmers Home Administration has provided grants and loans in the past, however, with current guide lines of gross family income of $16,800, the District would not qualify for future grants and the loan program is a very slow procedure to initiate and too costly for the current water users to finance.

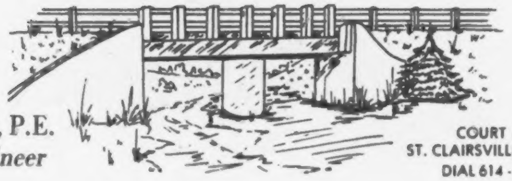
   Currently all sewer systems are on site disposal systems and have the potential for extreme stream pollution. The District has explored various funding sources to install collection systems and waste water treatment plants in various areas of Belmont County, but to date all systems are too costly for consumers.
5. The Fox Shannon Service Plant and Collection would service existing County, State and Federal facilities. The cost would be $1,200,000.00. With the cost to treat

and maintain the system the customer could not afford the facility without grant money that could be used for construction.

6. The area of Belmont County from St. Clairsville West to Morristown (I-70 and SR 40) has the potential for greatest development. The area does not have any type of central sewer system. Therefore, all the areas have on site sewer treatment. The system would cost $5,500,000.00.
7. Other areas of Belmont County that are currently in need of a central collection system and treatment facility include the Neffs area - $2,000,000.00 and Wheeling Creek area - $ 8,000,000.00. The area is currently served by septic tanks and/or discharged directly into the creeks.

To improve the water system to meet current and future needs the cost would be $11,200,000.00. The development of a central sewer system would be valued at $16,700,000.00.

H. County roads and bridges. See attached report from Belmont County Engineer Fred F. Bennett, P.E.



FRED F. BENNETT, P.E.
Belmont County Engineer

COURT HOUSE
ST. CLAIRSVILLE, OHIO 43950
DIAL 614 - 695-2121

July 16,1990

In late 1985 the County Engineers Association of Ohio began a study to determine if there were any needs in the County highway system within the state of Ohio. The study was divided into five sections which included Ohio county needs in comparison to other counties in other states, Revenue shrinkage due to inflation, Needs based on pavement management studies underway in selected counties, Roadway needs as expressed by County Engineers for their particular county,and The condition of bridges that are the county's responsibility.
The comments in this presentation are directed to the needs of Belmont County, what accomplishments can be achieved in meeting these needs and what Belmont County has done in attempt to provide funding for infrastructure improvements.

Belmont County has 297 bridges, of these 297 bridges, 259 are deficient, this is an 80% deficiency.In order to correct the bridge deficiency in Belmont County 22.4 million dollars is needed. If we compare O.D.O.T. bridges to County bridges we find that O.D.O.T. has 19,000 bridges compared to a total of 27,000 bridges in the counties throughout the state.Other statistics will show that there are
40,000 Miles of Township Roads in Ohio
30,000 Miles of County Roads
19,000 Miles of State Roads
23,000 Miles of City Roads
1,000 Miles of Park Roads

In 1987 the Counties were alloted 440 million dollars to maintain 30,000 miles of roads,compared to O.D.O.T.'s 1989 budget of 1.1 billion to maintain 19,000 miles of state roads.

There are 42,688 bridges in the State of Ohio and we are the second largest bridge statein the nation. Texas is number one.

Of the 42,688 bridges in our state, 27,000 are county bridges, that's more than 60%.

It is estimated that the cost to replace the deficient bridges in Ohio would be 2.2 billion dollars, and 1.7 billion is needed to upgrade county highways.

Recently the State of Ohio provided funding through Issue II to assist with the infrastructure problem, however this has provided only 2 to 3 percent of the needed funding for infrastructurepurposes.

Belmont County has incorporated a license fee to help defray some of the cost involved in highway and bridge maintenance.

With the declining economy in Belmont County and the loss of our basic steel and

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coal industries we are experiencing a higher rate of unemployment in our population.

Belmont County decreased in population from 82,000 to 78,000 which is indicative of the fact our young citizens are leaving the area.

Belmont County's economic growth will depend largely upon local government's ability to improve roads and bridges. It is extremely difficult to maintain roads and bridges, perform snow removal in winter,which increases our labor costs due to overtime and the need to purchase necessary snow removal equipment and material with our present local available funding.

A 25% cost share will surely place us in a position economically in which we no longer perform maintenance and repair services at our present level, and could result in a reduction of our man power level to recoup some loss of revenue.

Belmont County is in dire need of federal dollars for infrastructure work

Talking Points
U.S. Congressional Hearing

OHIO STATE REP. JOE SECREST
95th House District

July 16, 1990

* Public works projects are critical to the 95th House District. Our economic vitality and future growth depend on them.

* Solid infrastructure systems bring and maintain business and industry.

* Economic development is contingent on the environmental and transportation infrastructure of a community.

Transportation Perspective

1. rural economic development relies on an efficient transportation system.
2. Appalachia Ohio does not have the extensive highway system required for growth.
3. the mobility to ship goods and products, as well as people, is crucial for productivity and quality of life.
4. federal involvement through the Highway Trust Fund could provide assistance.

Environmental Perspective

1. adequate fresh water supply treatment and distribution systems.
2. waste water collection and treatment facilities.
3. sewer systems.
4. public health and safety: protection of surface water, ground water, and drinking water supplies.

* Realize the importance of helping oneself. Ohio has done that.

* Ohio Legislature sought and successfully implemented an innovative way to assist and work with local governments to finance public works projects through Issue 2.

* Issue 2 is a ten year, $1.2 billion program.

* One aspect of the program to consider when talking about Southeast Ohio: moneys are used primarily to rebuild and improve the existing infrastructure.

* As stated previously, this area needs assistance and commitment from the federal government regarding public works and infrastructure framework creation.

* Closing: Thanks to Congressman Applegate and committee members.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

MONDAY, JULY 16, 1990

House of Representatives,
Committee on Public Works and Transportation,
Youngstown, OH.

The Committee met, pursuant to call, at 2:38 p.m., at the Operating Engineers Hall, 291 McClurg Road, Youngstown, Ohio, Hon. Glenn M. Anderson [Chairman of the Committee] presiding.

Present: Representatives Anderson and Traficant.

The meeting will come to order.

The Chairman. Good afternoon, the Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. I want to welcome you here today and to thank you for taking time from your busy schedules to share with us your concerns, knowledge and perspectives about this important issue.

This year, the Committee initiated a series of events designed to give us a better understanding about our Nation's infrastructure crisis. At our first event in Washington, we looked at emerging infrastructure needs from a national point of view. Our second and third events focused on the impact of infrastructure on the productivity, growth and ability of the United States to compete in international markets. Future events will include hearings on infrastructure financing alternatives and new technologies.

It is important, however, for us to get a good look at the infrastructure problems encountered at the local and state levels. Our meetings today, here in the Youngstown area this afternoon and this morning in St. Clairsville, are the first of several planned at various sites around the Nation. We want to review infrastructure needs with the people most directly involved and to hear a broad range of ideas that can help resolve the problems.

I am especially pleased to be here in Jim Traficant's District. I want to thank him and the people of the 17th District for their generous hospitality. In my view, Jim is one of the most intensely committed members of Congress. He is a vigorous fighter on your behalf. And while he has, by his own admission, put law enforcement and the war on drugs among his top priorities, I think he has also worked effectively on issues designed to help the handicapped, veterans, retirees, senior citizens, students and the unemployed. And Jim has also been very vocal in expressing his deep concern about this area's crumbling industrial economy. He has crusaded for "Buy American" legislation and trade reform and has consistently supported economic development initiatives that would help to diversify and rejuvenate the local economy. This year, he has been especially successful in legislating highway and water projects that will be a tremendous boost to the economy of this area.

As Jim knows, when we talk about infrastructure, we are talking about the very cornerstone of our cities and rural communities. Now it may not be an exciting subject, but it is infrastructure that provides the foundation for a sound economy and is at the very heart of our standard of living and quality of life that all Americans enjoy.

From our hearings thus far, we know that not only do many problems exist with our public works facilities, but we have been shortchanging our public works investments for more than 20 years. The question today is: What about Ohio's infrastructure? How inadequate is its network of public facilities—roads, bridges, public buildings, sewers, wastewater treatment facilities, water supply facilities, dams and other public works?

In addressing this, we should all keep in mind that economic research in recent hears has tied the level of public spending on infrastructure to the productivity growth rate in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960s to less than one percent, to seven-tenths of a percent in the early 1980s. During the same period, the annual growth rate of investment in infrastructure fell from 4.5 percent to .8 percent.

Productivity in our country is growing much more slowly than in other developed countries such as Japan, West Germany, Canada, France, Italy and the United Kingdom. Some of which, incidentally, invest almost twice as much in their public works as does the United States. In fact, our nation ranks 55th in the world in capital investment in infrastructure. That is shocking. We should be number one. I mentioned some of these countries that are spending twice as much and I mentioned Japan. Actually Japan last year spent five times as much, in that little country, as our whole United States did. I know when you look on a map and you see the whole nation of Japan alongside of the United States on the map, you can put it in my State of California and lose it. And then when you think that they spent, in that little country, five times as much as the whole United States spent for infrastructure, you realize why they are able to do so much competitively, because they are eliminating much of the congestion and things that are costing us so much money.

Anyway, we do look for your help to gain further insight on infrastructure needs. What is the condition, what your suggestions are and what the needs are to meet the anticipated needs of this area.

And who do you think should pay for the necessary public works and the financing techniques that we need? And what do you think the federal role should be? And the state role? The local role? And lastly, what should our Committee be doing to resolve some of these problems?

As we continue our inquiry and debate on how to deal with the current and anticipated needs of our public works, we look forward to your answers and to questions that you may raise.

We are going to first hear from a man you all know, he is the man responsible for our being here today, the Honorable Jim Traficant, your representative in the House of Representatives, and a knowledgeable and effective member of our Committee on Public Works and Transportation.

Sometime ago, Jim asked me to visit the 17th District, and since we were down in southeastern Ohio regarding the recent flooding and to look at infrastructure needs, it seemed an opportune time to come to the Youngstown-Boardman area as well. Jim, it is a pleasure to be here in your District and I look forward to hearing your remarks. This would be a good time for us to welcome us here, if you do. [Laughter.]

Mr. TRAFICANT. Well Mr. Chairman, we do welcome you. We feel very sad that the unfortunate situation in southeast Ohio—Mr. Applegate's District—has forced such a real problem on the State of Ohio and such hardship. But the fact that you made yourself available and brought the Committee out at the expense of such, and brought your key staff out to put on record those particular problems, which is tantamount to having this type of a process be made available to other members in Washington, is to be commended.

We want to thank you. But I want to thank you for being more than just the Chairman of the entire Public Works Committee now. I want to thank you when you were Subcommittee Chairman of the Surface Transportation Committee. I want to thank you for supporting two of my amendments to the Surface Transportation Act of 1985; the first one, to make minimum allocations to donor states permanent and protected from cuts under Gramm-Rudman. If it were not for your help, Mr. Chairman, that would not have been successfully passed at the Committee markup. We thank you very much.

Second of all, as we also know, we were able to expand section 128 of the Surface Transportation Act for the first time in many years. Again, with your help, we made that possible. Under that Surface Transportation Act, section 128 deals with highway safety matters. We were able to update highway safety to make guardrails, bridge barriers, signs and lights a full 100 percent funded by the Trust Fund, and under the Act. That means that many states that were hurting for funds, would just not opt for highway programs where there were matching requirements, thereby safety requirements were not met. In addition to that, bridge barriers and guardrails are a major staple of our industrial infrastructure here and we have testifying today from one of the top industrialists, in my opinion, in the nation, Mr. Charles Syak of Syro Steel and his assistant David Lewis, to discuss some of their types of problems.

So I thank you for making that legislation possible. And then as a spinoff for that, I thank you for making it possible with the passage of that legislation. The State of Ohio was so enthralled that they came in and were able to work out agreements for the 711 highway construction, the Division Street Bridge as a shoot-off of that and eventually tie in our airport with the highway system at Kings Bridge Road, both of those have been scheduled.

Regarding those two amendments, Mr. Chairman, I thank you again, you were the staple for that successful development.

Specifically last week, which you are very well aware of, we were able to have funds appropriated for the startup, feasibility studies, engineering studies and procurement and land acquisition for two major highway projects. I want to again thank you, because these projects were not authorized by the Committee, but if Glenn Anderson from California did not want and approve these projects, they would not have become law—period. He allowed the Appropriations Committee to apply $3 million to start up the Hubbard Expressway that will connect the 680 system near Hemrod Avenue with Interstate 80 up near Hubbard. That will be a tremendous shot in the arm for this valley and Chairman Anderson's active participation in the process made the funds available.

Second of all, we have been working with the riverbend people in Struthers, Campbell, Lowellville and Youngstown on a project near old Center Street Bridge. About a year ago, we moved to develop a Riverbend Project Committee and Bill Fergus, Mr. Getchey, Jim Wells and all the respective public officials came together. In order to make that land at old Barron Steel Mill property valuable again, we need access from the highway system and then we are going to have to clean it up under EPA and we are going to ask that you help at another time on that issue. But specifically, the Chairman also supported us in developing the access ramp from 680 and provided $2 million for startup of that particular project, which will take the freeway system directly to that abandoned property.

So with that background, we want to say to Glenn Anderson, Chairman, from California, a motorcycle specialist—used to race motorcycles—we want to say thanks. And when it is all over, you will come in on one of your motorcycles and wrap around one of the access ramps and maybe even buy some property down there.

But I am completing my statement, Mr. Chairman, I am going to just be brief.

Mr. Chairman, there are a number of other things affecting this valley. We lost an awful lot of jobs in the steel mills and the steel industry took a nose dive. We have been slowly but surely trying, and having some success, at diversified opportunities outside of the realm of heavy steel manufacturing and development. Today, specifically, there are several other things that are very important and I know Bill Fergus and Mr. Ryser are going to bring those to our attention as far as targets are concerned.

Number one, we want to develop a new bridge at Center Street, which that new access ramp will focus around. We want funds in part of the next bills to come out of the Congress to develop that bridge in conjunction with the State of Ohio.

Second of all, as a priority, we want to ensure the protection of the water supply for a large part of the population in this particular valley; that being, the Neander Reservoir. We will be asking for specific structural enhancements and improvements to the bridge which transports passengers and commercial traffic across our drinking water and we have had some problems with spills. These matters will be brought in the form of spécific bills to the Committee and we are looking for help in the next years—five years—Surface Transportation Bill.

In addition to that naturally, we will be looking for more funds to augment and enhance the development of the two—the Hubbard

Expressway, the access ramps program and the connectors to a new bridge down near Center Street bridge crossing the Mahoning River.

Finally, there are a couple of other things, as some people will testify about them today, I was able to attach to the Economic Development Administration Bill an amendment that did pass and was accepted on the House floor after being originally rejected at the Committee level. It provides for a fund of money that can be used only when a bank or a group of banks in an economically depressed area, makes a private loan. Funds would be provided for the interest-rate buydowns within a given economic target area facing such depression.

I appreciate the fact that you have helped me so far, but the EDA bill has not been heard at the Senate yet and we continue to operate on appropriation level. Even though it is a shoot-off of our Committee, I am asking Public Works to support my measure coming up on the housing bill for economic development thrust at that particular level.

With that, Mr. Chairman, we have several communities with problem water supplies; one is Liberty township, they face a tremendous amount of problems—we will hear about that. And second, is a little community called Washingtonville, who has had a drinking water problem down there and a supply problem that is horrendous, and I am hoping that we can do something about that.

With that in mind, I want to thank you, your Committee staff, and Sante Esposito, who really put up with me on these last two projects. He was about ready to bail out. And Paul Schlesinger and Martie Downie is here, Susan Fry, and we are very thankful that you are here, and we have a group of witnesses that will explain our problems somewhat and attempt to put on record those particular issues.

So I thank you again for being here, Chairman.

The CHAIRMAN. Well thank you, Jim. I do not know whether I should say thank you for the nice remarks about me or give you heck.

Mr. TRAFICANT. Do not say it.

The CHAIRMAN. It is kind of interesting, he singles out—I was a professional motorcycle racer, I made money at it, but he singled that out to introduce me to you. He did not tell you that I was a rather successful businessman, so much so that the people in my District elected me Mayor of my city in 1940. From there they elected me to the State Legislature, then Lieutenant Governor and now Congress. This is my 51st steady year in government, and he singles out all my background to one little time when I was much younger than any of you here today, a professional motorcycle racer. So I just want to let you know——

Mr. TRAFICANT. I thought that that was unique on your record.

The CHAIRMAN. Well it might be unique.

Mr. TRAFICANT. It shows the bravado with which you handle this Committee.

The CHAIRMAN. We will stop on that right there. It is fun to be here and at this time I think we will call our first panel forward.

We have the Honorable Robert Hagan, State Representative; the Honorable Joseph Vukovich, State Representative; the Honorable

Sean Logan, State Representative; Jeffrey Chagnot, Chairman of Development, City of Youngstown, Ohio; Ken Gran, Clerk/Administrator, Mahoning County Commissioners, Youngstown, Ohio; Ivan Hoyle, Berlin Township Trustee, Berlin Center, Ohio representing Mahoning County Trustee Association and John Wargo, Chairman of the Columbiana County Commission. I think that is all the names there.

Because we have so many witnesses testifying, it will be impossible to ask questions of each individual and I would hope that you could make your remarks relatively short and I will assure you that if you have a full written statement, it will be printed in the record as part of the testimony, in its entirety. But we do have a problem because, after you, there are some other people. And I am also not going to tell you which ones come first. You can make up your mind, you can do it in the middle or each end or alphabetically or how ever you want to do it. I called Hagan, Vukovich, Logan, Chagnot, Gran, Hoyle and Wargo in that order. Now it is up to you.

Mr. TRAFICANT. Several state representatives are not here, but Representative Logan is here and perhaps we might start with Representative Logan, Mr. Chairman.

The CHAIRMAN. Okay.

TESTIMONY OF HON. SEAN LOGAN, STATE REPRESENTATIVE, STATE OF OHIO; JEFFREY CHAGNOT, DIRECTOR OF DEVELOPMENT, CITY OF YOUNGSTOWN, OHIO; L. KENNETH GRAN, CLERK/ADMINISTRATOR, MAHONING COUNTY COMMISSIONERS, YOUNGSTOWN, OH; IVAN HOYLE, BERLIN TOWNSHIP TRUSTEE, REPRESENTING MAHONING COUNTY TRUSTEE ASSOCIATION; AND JOHN WARGO, CHAIRMAN, COLUMBIANA COUNTY COMMISSION

Mr. LOGAN. Thank you.

I am State Representative Sean D. Logan from the Third Ohio House District, which includes all of and only Columbiana County, just south of here.

I would like to take this opportunity to thank Chairman Anderson and Congressman Traficant for the opportunity to present our testimony today. And I would like to speak briefly in support of this Committee's efforts to improve the area's infrastructure, including the proposed expansion and improvement of Ohio State Route 14 and United States Route 62.

In my District, Columbiana County, as in most areas of Ohio, job creation remains our highest priority. Its importance cannot be over-emphasized. Our unemployment rate still lags behind both national and state averages, as does our rate of business startups. While we have made progress in the last decade, too many of our people are still unemployed and under-employed. Our ability to attract and hold the jobs of the future will rest, in large part on our ability to provide business with a quality infrastructure.

Without sound infrastructure; without access to sound utility service, good roads and highways, good water and modern waste disposal facilities, no strategy for business development can be fully successful. I encourage and support any action that this Committee can take toward achieving these ends.

In this part of the state, we often take for granted our proximity to the Ohio River and its tributaries. Sometimes we do not fully appreciate the value of our water resource, nor do we often enough appreciate the importance that industry places on the availability of clean, plentiful water.

Many businesses that we lost to the so-called sunbelt 15 or 20 years ago, are now looking at the midwest with new eyes. The very attributes that once put us at the center of America's industry in the heartland are once again attracting the attention of business. I want to be sure that when businesses look to the midwest, we in eastern Ohio will be ready.

Thank you.

Mr. **Chagnot**. Thank you, Mr. Chairman, Congressman Traficant and staff people present.

The City of Youngstown—I am representing Mayor Ungaro and the City of Youngstown. We have submitted a brief written statement for the Committee's review and I will keep my remarks brief here today.

I think in terms of infrastructure and transportation projects, improvements to that system, I think that a greater consideration has to be given to areas like Youngstown, whose economies have undergone such a massive transition from its traditional economic base, being the steel industry.

The steel industry, historically grew up around the transportation system of railroads and lake transportation and was not as heavily reliant on the highway transportation as is prevalent in today's economy. I think when we talk about projects such as Congressman Traficant mentioned in his opening remarks, it is important that we keep in perspective that those were projects that probably should have been built 25–30 years ago when the interstate system was developed, but perhaps not developed because of the local economy's reliance on steel and heavy manufacturing and reliance on the rail system and other transportation systems. So I think it is extremely important that the Committee take back with it the historical perspective that areas such as Youngstown and other areas of the Mahoning Valley that were previously a steel-oriented infrastructure and transportation system, that that be recognized and taken into account in the development of programs that are meant to address the infrastructure problems of not only Ohio, but of the nation.

Thank you.

Mr. **Gran**. My name is Ken Gran. I am the Clerk/Administrator for the Mahoning County Commissioners who could not be here today because they are attending a NACO convention in sunny Florida, in Miami. But they asked me to be here to represent them, and, of course, my statement is very general, and I am going to read it rather quickly. It has been submitted for the record, but I will read it very briefly as best I can.

"A Mahoning Valley for Today, Tomorrow and the Future", I am very positive in this statement and of course it is from the heart and I hope you will appreciate that, Mr. Anderson and also our Congressman Jim Traficant.

It is often said that the Mahoning Valley is located in the most strategic area of the northeastern part of Ohio and the United States. It is midway between Cleveland and Pittsburgh and midway between New York City and Chicago. It is the center of a 75-mile radius population of 7.5 million people.

Once dominated by basic steel, the Mahoning Valley continues to be a factor in that business area, but its industry has been diversified and it includes automobile assembly and parts manufacturing, metal fabrication of various kinds and plastics. Mahoning Valley is fast becoming a service and distribution center. It is served by modern highways, notably the east-west Ohio Turnpike and Interstate 80, and the north-south Route 11 that connects the Ohio River to the south and Lake Erie, which lies 50 miles to the north of our area.

The community profile of the Mahoning Valley features modern, well-equipped and staffed health-care facilities; an outstanding urban university campus; visual and performing arts and cultural activities second to none; a treasure chest of community historical values; a progressive public and private educational school environment; a convenient and easily accessible transportation network; a dedicated and highly-skilled labor force; a sincere a diversified ethnic and minority population; a park and recreation system featuring the sensational Mill Creek facility—all in all, Mahoning Valley is a great place and it needs and deserves tender loving care.

It was good news to hear the announcement that federal funds are being considered for the Hubbard Expressway connector to Interstate 80 in Hubbard and the proposed improvement and ramping interchange connector at the Center Street bridge with the City of Youngstown 680 bypass. But, the Mahoning Valley has felt a tremendous financial pinch with the loss of the federal revenue sharing money, especially in our townships, our villages and our municipalities of Mahoning County. The State of Ohio has put their best foot forward with the passage of Issue 2 monies, House Bill 704. This provides for a state-local partnership to maintain and restore the essential service needs of our communities. It is designed to generate new investment in new and existing water, sewer, wastewater, road, bridge and solid waste programs. These are essential needs for us to be absolutely concerned about inasmuch as they are of absolute necessity for our growth.

In conclusion, it has also been said that prospective industries seek out the amenities of an area and evaluate and compare them to other prospective geographical site locations being considered for relocation. We strongly feel that we must continue to strive for infrastructure preservation and investment in order for us to preserve a competitive position in the competitive market of maintaining and attracting industry to Mahoning Valley.

The Board of Mahoning County Commissioners has demonstrated their positive approach for local funding with the various levies and taxation initiatives that have been implemented. These funds are available as matching funds for federal and state funding programs that can be utilized for the Mahoning Valley. We are firmly convinced that we are a "diamond-in-the-rough" from the standpoint of geographical location, but we need some funding assistance and help to polish that diamond in order for it to glitter and attract economic and community development growth for the future of our young people in the Mahoning Valley.

Thank you.

The CHAIRMAN. Mr. Hoyle.

Mr. HOYLE. Mr. Chairman, my name is Ivan Hoyle, I am President of the Mahoning County Trustees and Clerks Association.

With the loss of federal revenue sharing, townships felt a tremendous financial pinch and infrastructure was the top loser. The State of Ohio tried to help with this problem by passing Ohio House Bill 704, commonly referred to as Issue 2. This bill provides for a state-local partnership to maintain and restore the essential service needs of our communities. The program is designed to generate new investment in existing water, sewer, wastewater, road, bridge and solid waste projects and to have that new investment available to every governmental unit which has a need for assistance.

Although we have good cooperation between the townships, county, village and city governments in Mahoning County, the needs cannot possibly be met by the state programs. Ohio has done much to help its own communities, but most certainly more funding from the federal government for infrastructure is essential.

Another top priority must be the jobs that affect our very existence; especially that of our youth. If we do not provide job opportunities for our young people, they will leave our area and take with them their knowledge and work skills. Approximately 70 percent of property tax monies go for the education of our youth. This is a huge investment and we should spend more to create employment opportunities that will keep citizens in the townships, villages and cities of Mahoning County. Infrastructure and jobs walk hand-in-hand.

We can, and must, have preservation of existing jobs and infrastructure at the same time we are expanding into new areas of both. Federal and local governments must work as a partnership to maintain and restore the services that are necessary for business to invest in the Mahoning Valley.

Thank you, Mr. Chairman.

Mr. WARGO. Mr. Chairman, Honorable James Traficant and staff.

I have but two items to bring before the Committee today. Let me say first from a historic perspective, we are, Mr. Chairman, a community that was developed around the steel industry, including my family who were both steelworkers and railroaders. Our industry really does not exist as it once did, after having seen the ravages of economic turnover and after being plucked by the hide binders on Wall Street in the mergers that have taken place, we have little to nothing to show that we were once a steel producing area.

But we are not one to die, but believe that there is enough skill and enough talent here in the valley that we can do something to help ourselves. And if there is one thing I have learned in 30 years of being involved politically—and I think it has been taught to me, or the point has been driven home by Congressman Traficant—and that is, nothing comes to you, you must make it happen. And he has proven that time and time again.

The two items are both transportation related. The two are highways, as is indicated in the exhibit, and we have an occurrence happening just across the line in Pennsylvania which really makes some of this maybe possible to envision. When $600 million is being expended on an airport just a few miles away, the approachways to the airport alone are $60 million, and we have got highways here that are four-lane highways, that end and go nowhere. And we need to link those with Pennsylvania. That has been ongoing for 30 and 40 years and we are still nowhere. We need to develop the final links on those highways. Pennsylvania is way ahead of us, and I followed the Pennsylvania governors and lieutenant governors and Ernie Klein, Lieutenant Governor, when he came over and told us we are going to build a four-lane and we are going to replace this bridge at East Liverpool. And I thought "I will never live to see it." It has already been there a dozen years and Ohio has done nothing to connect into that system.

The second item is the seaway project which was not proposed by Mike Kerwin or it was not proposed by John Wargo or Jim Traficant, but by George Washington. When he surveyed the Wheeling-Baltimore Road, his project was to next develop a seaway project to the Great Lakes. It did not happen. Even after Roosevelt signed the authorization—Franklin Roosevelt, in the mid 1930s. And the war took the funds away. Our historical study and profile shows that some of the opposition at that time, which is not formidable nor valid today, also did some lobbying. And I think you and I both know what lobbyists are and how they operate. They did an effective job and here we are today proceeding to do an update on the Army Corps feasibility study.

This spinoff would not only impact on Youngstown, but probably over the entire—there probably would not be a state in the union untouched by such a project in some fashion, primarily in cost-savings and probably in the balance of trade.

And on that, Mr. Chairman, Congressman Traficant and staff, I thank you.

The CHAIRMAN. I will probably ask you one question and then I am going to turn it over to Jim to ask you some questions.

A general question for the panel is that clearly infrastructure problems exist nationwide, but the magnitude of the needs are not really known. On the one hand, older industrial areas with aging facilities, need substantial rehabilitation or replacement. On the other hand, growth areas must expand existing infrastructures to accommodate new residences and businesses. Even though this is a problem nationally, can you give us a local perspective, some idea of what steps you expect to take or should be taken to meet your particular infrastructure needs and what kind of help you can expect from the state and from the federal government?

Mr. LOGAN. Mr. Chairman, I believe we are getting a lot of help from the state, and as much assistance from the state as we can receive at this time. As the gentlemen said about Issue 2, it is a very good program, it is one of the largest in the country, but it does not do enough. Because we have been a donor state for so many years, and because we are in part of the rust belt, and our roads, our infrastructures take a lot more of a beating due to the weather and all types of other conditions, we need the help that the—as you said, developing areas also need—but we have a chance—or we need a chance to becoming developing areas just as the sunbelt region does also. We will not get this chance unless, as Commissioner Wargo said, certain projects that ended 30 years ago, and they go nowhere, unless those projects are completed. And that is the key. We can be developing centers just like anywhere else in the country, but we need projects like Hubbard Expressway, we need projects like improvement and expansion of State Route 14 through Mahoning Valley to Columbiana County. We need these projects and it takes, as you said, it takes a combination of local, state and the U.S. Government participation. But I believe that the state government has made some serious initiatives and that the federal government, I sincerely hope, will take a serious look at these areas that are donor states and are suffering.

We have the work force, we have the ability, but we need the opportunity. And while we are not just going to sit back and wait for handouts, we are going to do something about it. That has been Issue 2, and we are going to continue to do what we can.

The CHAIRMAN. What we want is you experts in each part of the country to kind of tell us what you think should be done, because almost every place is different. Some areas are undeveloped and have great potential. Others are older ones. I happen to have an area—this is kind of a twist around, but they all have problems. I have one where the interstate that is in my area was recognized as the most highly traveled section of interstate in the nation, but that brings congestion. And here just a few weeks ago, there were seven of the big industrial businessmen who are involved in import/export and delivery called a special meeting with me and they pointed out that this little road from the ports where the stuff comes in to where they have to take it to ship it out, and so on, where it used to take them 45 minutes to drive a truck and do it, today because of congestion it is two and a half and three hours. and when you pay a truck driver $25 an hour or whatever it is, you pay him for three hours instead of 45 minutes, it raises the cost of what you are trying to sell. And they said you have got to do something about that so it can move faster.

Every place in the country has a different idea, different problem. We think—you know, often you think a congested area is going to be easy and great, but you find they have problems too. But what we want to do is get the advice of experts in each part of the country to tell us what they think should be in their area and of course it will be their representatives like in this case, Jim Traficant, to help interpret that and work it in the legislation that we have.

Of course, Jim knows that I have plenty of meetings back in Washington. We want to hear from him, but we also want to hear from you people to kind of give us some guidance all over. As a matter of fact, you mentioned Pennsylvania awhile ago, they have also asked for some hearings there too, so we are going to be holding hearings there. I think there will be three different scheduled hearings in different parts. In that State, their problems are different. The problems in Youngstown, I guess, are different than the problems in Pennsylvania. So that is what we want to get from you.

Mr. LOGAN. I think basically our problem would deal with complete projects that have not been touched for quite awhile—specifically for Columbiana County. These projects are located in Mahoning County and that—I feel that is the biggest area. It is not so much I guess congestion. Right now we would kind of like to have that congestion I guess.

The CHAIRMAN. Yes.

Mr. LOGAN. I always thought that U.S. Route 62 between

Massillon and Alliance was the most traveled. But I—personally I feel that it is the completion of projects that can definitely be of a big benefit and big help.

The CHAIRMAN. Jim, why do you not give us your message.

Mr. TRAFICANT. Thank you, Chairman.

Just briefly, first, I did not hear any specific request for specific projects to be either initiated or completed. I ask unanimous consent that such requests that they may make specifically about specific projects and infrastructure needs, in writing and in detail, be submitted to me.

Second of all, rather than belabor and go back over that, I just have a couple of questions. I will direct the questions in general just to one individual and that will be Mr. Wargo. Mr. Wargo is a former state representative, very active state representative, and had very much to do with a lot of the improvements between Erie and East Liverpool. And we appreciate that, John.

John talked about a couple of projects, as well as Sean Logan from the state. Just real briefly, State Route 14 and State 62, these are the two that you would like to see that connection made with the greater Pittsburgh Airport, completion of those projects, is that correct, John?

Mr. WARGO. That is correct, but still we have Route 30 that comes in and is even closer, possibly shorter. And it is chopped and it goes nowhere. It exists. Canton, Massillon, Minerva are planning to bring 30 across. This is new continental 30 that runs across the United States.

Mr. TRAFICANT. Not to interrupt, but let me just say this. I have most of Trumbull County, all of Mahoning County and I have two townships in Columbiana County in my District. I have invited Columbiana County in because we make a conscientious effort not to forget those two townships, and to put on record their concerns.

But in these contiguous districts, after we have been impacted upon, Mr. Chairman, there are projects that will be successful for them which will also impact upon our area.

So you want to see 30 implemented and moved, even though that is not in my District, but that is a particular action taken by Columbiana County Commissioners.

Mr. WARGO. It will come directly through part of your District, yes, West Township—30 is the link to the Pittsburgh Airport.

Mr. TRAFICANT. Okay, 30 through West Township would be the link.

Mr. LOGAN. We are attempting to make a commitment.

Mr. WARGO. And so is——

Mr. LOGAN. Excuse me, John—in East Liverpool, but we need a commitment from West Virginia and Pennsylvania to finish their Route 30. That is the key to Pittsburgh.

Mr. TRAFICANT. In that regard, not to interrupt, but maybe the Columbiana County Commissioners could send an action or decree of the Board as to how maybe our Committee, John, might be able to get West Virginia, Pennsylvania and Ohio as a compact to sign off on your request. Would that make good sense?

Mr. WARGO. Yes, if it is agreeable, that is fine.

Mr. TRAFICANT. Second of all, John brought up the waterway. As you know, Michael Kerwin had that thing to a point where John Kennedy said he was going to build it and he said Mike, wait until my second term until I get through the election. Michael Kerwin, Congressman from this area, had the great waterway to be built. It came within a whisker of passing, it was defeated after much lobbying in those days, defeated as John said.

As you know, I was able to resurrect it because it was deauthorized in 1981. In 1985, I was able to get the Committee to resurrect it in the form of a new, updated study which would connect the Beaver River north of Pittsburgh with Lake Erie. We are beginning to draw down on that money, but there needs to be more appropriation from the Water Appropriations Subcommittee of the Appropriations Committee and Chairman Bevill will need the nudging of and the movement of our Committee to try and get the balance of those funds for such a study.

But that project—that project more than anything else, in my opinion, should be incorporated into an overall strategy dealing with, among other things, the movement of commodities, also the matter of trash and garbage and non-toxics that we are running of landfills to hold. And there have been a lot of good studies on that, and the movement of those, by taking them off our highways and perhaps using different methods of reducing those problems. Some of it deals with the waterway. I have that bill in.

I am not going to ask any questions, but ask for the Committee support. Mr. Wargo has brought it up and I deliberately did not, because I knew that he was making mention of that. I want to thank all the local officials that helped us because local officials have not really been proponents of this thing. Mr. Wargo has been one at the state level and now as Columbiana Commissioner, who has and that project as a public works project, in my opinion, would be the greatest public works project in American history—it is a great project.

So I am not going to ask any questions, I just want to say this. If you have a specific project you are going to be calling me about, I want it written down with a brief explanation and submitted to me and the Committee will take that and it will be incorporated into the minutes of this particular public works meeting here.

Mr. WARGO. Congressman, may I add just a word?

Mr. TRAFICANT. Yes.

Mr. WARGO. In visiting the Tennessee-Tombigbee, Mr. Chairman, I listened to the reports and I read the news articles that scoffed at the project. I went there, I met with the director, I traveled part of the Tennessee-Tombigbee and I saw the barges loaded with logs and gravel and lumber and coal. And that is being utilized and it is growing by the week and by the month. It is probably the most valuable thing that has happened in the south in probably 200 years. And it works.

But they are supporting us, of all things. And I asked them, I said, "How did you get this done?" They said, "Well years ago, we went up to Youngstown, Ohio and got ahold of an old fellow by the name of Michael Kerwin and we brought him down and we run him all over the bayous in a boat and we fed him and wined and dined him, and we made an honorary southerner out of him, and it worked." And now they have the canal, and we have nothing. But Mike did attempt to sell this, but he could not get local people to support it as well as he could some of the people outside the area. He was way ahead of his time, way ahead of his years in many respects and in other ways, he could not get a few of the key people that he needed.

But I would like to see a Jim Traficant and a Congressman Anderson come along some day and make this a reality. I hope that happens.

Mr. **Traficant**. And just moving off this, let me just reiterate something briefly to the Chairman, without taking too much time. They built the small locks down there. They built the small locks to hold down on money and that was a shame. Had they built 1,000 foot locks down there in Tennessee, perhaps they would have had more competition on the Mississippi. But with this last drought, you see how the Tombigbee has been paying for itself. But it can never be the waterway it should be, because of those small locks.

I want to make it clear here, we want a study that would be able to take barge traffic on the Ohio River and take that barge traffic all the way and put it on Lake Erie without anybody touching it. We are not talking about 700 foot locks, we are talking about the 1,100 foot locks that could take those big rigs. That is what Mike Kerwin was talking about.

John, I think is giving good historical perspective. We need a helping hand. The amazing thing is, Chairman, I know you have not been hit very much on this. You have been spared that from me.

The **Chairman**. You mentioned it to me.

Mr. **Traficant**. Yes, but Jim Howard, before he passed away, did make a commitment to give us a hand on that and he had. And I am hoping that Chairman Anderson will.

So again closing out, that is all the questions I have. I want specifically the projects or the continuation of projects or the type of money you have available for projects, the most pressing needs you have in each area of your jurisdiction, have that available to us and that will be incorporated as an adjunct to your particular testimony here.

That is all I have, Chairman.

The **Chairman**. Well thank you very much, panel. And we will call up our second group I guess. Thank you very much, we appreciate it.

Our next panel is the Honorable Daniel Sferra, Mayor of Warren, Ohio; Chuck Miller, Sanitary Engineer of Trumbull County, Warren, Ohio and Richard Orwig, Chairman, Trumbull County Trustee Association.

You may pick your own order. The way they are listed here is Sferra, Miller and Orwig.

[Prepared statement of Mr. Logan appears on p. 689.]

[Prepared statement of Mr. Chagnot appears on p. 666.]

[Prepared statement of Mr. Hoyle appears on p. 687.]

[Prepared statement of Mr. Wargo appears on p. 747.]

TESTIMONY OF HON. DANIEL J. SFERRA, MAYOR, WARREN, OH; CHARLES MILLER, SANITARY ENGINEER OF TRUMBULL COUNTY, WARREN, OH; AND RICHARD ORWIG, CHAIRMAN, TRUMBULL COUNTY TRUSTEE ASSOCIATION

Mr. **SFERRA**. Thank you. It is pretty good you pronounced my name all right. Most people have trouble with that name. Do not tell me you are Italian?

The **CHAIRMAN**. Thank you.

Mr. **SFERRA**. Good afternoon. It is an honor to be here today to testify before this Committee as the Mayor of the City of Warren. I have been the Mayor of Warren for 11 years now. I will not belabor you with a lot of the points that you have heard already and the points that you will hear later on.

Everyone is familiar with the loss of jobs and industry that hit Warren and the valley in the 1970s and 1980s. Warren lost population for more than a decade, and with the loss of people, Warren was hit with a decreasing tax base. We have the same areas to service, plus new areas that need services with a decreased tax base. It has been very difficult to maintain the old infrastructure while trying to attract new jobs and industry, which demand new infrastructure.

I have been watching closely, as we all did, the situation with the savings and loans in the southwest. Many of our Congressmen and the White House are saying that the rest of the nation, including our area, are going to have to pay for this bailout. Taxes from our area have been going for decades to develop the southwest. It is time that the Congress paid special attention to our area, the area that has been one of the industrial backbones of this country.

We have great infrastructure needs, not only for our bridges, but our water lines, with the new EPA requirements. The City of Warren will be making large investments in the water filtration plant. This water plant not only serves Warren, but also serves part of Howland, Champion, Bazetta, Warren Townships and parts of Lordstown. Even with the user fees that the city receives, it will not be enough to make major investments which will be needed in the system, especially the water line replacements.

We have some sewers in some areas of our town that are 80, 90, and 100 years old that as we dig down in troubled areas, we hit these areas that are 100 years old.

Streets and maintenance are a year-round effort, especially around this part of the country. We have enacted a $10 license plate tax to help fund the street maintenance program. We intend to use these monies to provide for the local match to generate funds for the State Bond Issue 2 program for maintaining our street infrastructure. The State Issue 2 requires a minimum of 10 percent local share. We have another program which we will be cutting out and replacing sections of concrete streets. These all take money.

Solid waste is an area not only of local concern, but national concern. The eastern seaboard states that have run out of landfills are now shipping their garbage west and a lot of that is ending up here in Ohio. We have our own sanitation service and we have served the citizens of Warren cheaply and effectively over the years.

As Mayor of the City of Warren, I am asking you as members of Congress to look at the infrastructure needs of our community. Our community shares the same infrastructure needs as other communities in Mahoning Valley. We are not in the position we were 20, 30, or 50 years ago. I ask your support for us, as we have long supported you in the economic development of our nation. Please do not forget us.

Mr. Chairman, I think just on a personal note, one thing that I see myself and as you talk to people all around my town and all around the city and the state, is I will never forget when revenue sharing ended in our community. I think it was the same day that happened, we seen the President Reagan at the time, I think was giving the President of Philippines Aquino $400 million to take back to the Philippines to help that part of the world. We are also spending hundreds of millions of dollars funding Europe. And what galls me is when we go to bomb Libya, France tells us to stay the hell out of their airspace. We are spending a billion or two billion dollars on the stealth bomber that is going to bomb Russia after we are bombed. After I am morgued, I really do not care what the hell we do with Russia.

But we have one or two billion dollars a copy and I look at that and that is one or two billion dollars we should be spending here in the United States. We want to send money to Poland, we want to send money all over the world, but if we keep this up, who the hell is going to want to conquer us. They will have to take over our old water lines, our old bridges, our old sewer plants.

And I think that is one of the problems that I have with the policies of the United States, is we should take care of ourselves first before we ship billions of dollars overseas, before we spend billions of dollars on weapons that God knows when we will use them, if we will have to use them. At the same time that we are doing that, we are struggling within. We all have problems in our communities with the cocaine and crack problems, we all do not have enough police to handle those situations.

I think—it is easy for me to say but I think we just have to have a new direction in our country as to what is our top priority. And our top priority should be taking care of our own streets, our own bridges, our own water needs. None of us can understand why we are sending tens of million dollars to South America to handle their water needs or sewer needs or whatever, and we are left begging. It is a difficult problem. I know it is a difficult problem for you. But just as Joe Citizen, as I look at this, I am trying to figure out why we send $400 million to the Philippines and they are shooting our guys over there and telling us to get the hell out. It was up to me, I would say okay, bye, we are out of here. We will keep the money, send it over here.

That is all of my rambling.

The CHAIRMAN. That is fine.

Mr. SFERRA. I have my technical guys right here, they will come up with something.

The CHAIRMAN. Mr. Miller.

Mr. MILLER. Mr. Chairman, in my capacity as the Trumbull County Sanitary Engineer, I am acutely aware of the public works infrastructure needs of Trumbull County in the form of water and sewer improvements and the impact of these needs on jobs in our area.

The grants program for wastewater improvements as administered by the United States and Ohio EPA through 1988 enabled larger communities and more densely populated areas to construct new and upgrade existing wastewater treatment plants, interceptor and collector sewers. I find, however, that many small communities and suburban areas with pollution problems and real needs for new or upgraded wastewater systems were unable to be funded due to competition for grant dollars. These needs still exist and are growing more acute each day. The current loan program, which was intended to replace the grants does not, in my opinion, provide enough assistance to the small communities to make these wastewater improvements affordable. Lack of these improvements has essentially prevented any commercial or industrial growth in these areas, resulting in a negative impact on the creation of new jobs. It has also left Trumbull County with many areas of failed or inadequate on-site treatment systems, resulting in the pollution of ditches, streams and water wells.

Trumbull County also has many areas which are in dire need of public water supplies. In most of these areas, water improvements are considered unaffordable due to geographics and location, population density and/or high cost of purchase of water from the supplier, or need to construct new sources of water and treatment facilities. Lack of public water supplies has also negatively impacted the commercial and industrial development of these areas and the corresponding creation of new jobs.

We have seen that areas where we have been successful in securing outside dollars to assist in constructing these water and sewer facilities, a mix of commercial and diversified industrial development has occurred.

I therefore urge the members of Congress to consider as a high priority the creation of additional programs to provide financial assistance for the construction of water and wastewater facilities in areas where the need exists and where it is currently not affordable.

In my written submittal, I have included tables which I have listed and prioritized numerous projects, both water and sewer, for Trumbull County.

I thank you, sir.

The CHAIRMAN. Mr. Orwig.

Mr. ORWIG. Mr. Chairman, I represent the 24 townships in Trumbull County, Ohio and most of what I have to say is a repetition of what my colleagues here have said, and the first panel. Briefly, I will go through a few things for you.

One item, culverts and sluice pipes are deteriorating faster than we have funds available for repair.

Roads are deteriorating faster than budgets can let them be repaired.

Our budgets have lost money in re-evaluation of property in the townships.

Levies are very difficult to pass for road improvements because of the school and fire department needs.

The big item is the elimination of revenue sharing has really put a crimp in our plans to improve roads and ditches. We ask that revenue sharing be implemented back in the program as soon as possible.

Machinery and equipment repair hamper our plans for the repair of roads and culverts and ditching programs.

The continuing escalating cost of insurance is a big item that is hurting townships, especially small townships. And also the continuing escalation of material and equipment.

I would feel that our number one priority in my township of Howland would be the need for water supply. We just had a thirty some million dollar project, a sewer project, funded by the EPA and locally, in our township but we certainly need water to go along with it.

Another big item is repaving in the townships. For example, in my township, we repave a road approximately every 16 years. We have 71 miles of roads. In Warren township, every 18 years; Bazetta township, 30 years; Weathersfield township can only afford to repave roads every 34 years. That is not acceptable. The State of Ohio says that paving should be done seven to ten years. Storm sewers in most areas were not designated to handle the size and quases prohibit future development.

We can handle some of the local funding, Mr. Chairman, but we cannot handle it all. We need help from the Federal Government, as revenue sharing was, and as Issue 2 is now being done by the state, and that is helping us tremendously but we still need more help because we are way behind—we are way behind.

Thank you very much.

The CHAIRMAN. Thank you. Thank you for your statements, they have been informative. I would ask a couple of questions and then I will let Jim.

I would ask the same question of you that I asked of the previous panel. From the local perspective, what steps do you expect to take to meet your particular infrastructure needs. What kind of help do you expect from the state and the federal government?

Mr. SFERRA. Well Mr. Chairman, we have enacted license plate—additional license plate tax just for our roads. The City of Warren has sold millions of dollars worth of bonds to take care of our infrastructure. As far as help from the feds, the 11 years I have been mayor and the eight years before—19 years I have been involved in politics, probably the best program the government ever had was revenue sharing because that money came directly to us to use for our needs for what we felt was important to our communities, without any strings attached. And I think all the cities in this area handled that money well. There were some areas in the country I know that did not need the money, I just wish the Congress would have looked at our areas and areas that needed it.

But give us the money and we can handle it ourselves. Like I said, the revenue sharing was perfect for us. We were able to buy police cruisers, fire cruisers—fire trucks and this sort of thing. Whenever you are dealing with the federal government or the state, there is a lot of red tape, but I think that we have faith in ourselves that we can handle it ourselves. Like I say, once again it is easy for us to say that and like you say, just knock out four of those stealth bombers and we can put revenue sharing back on the table.

The CHAIRMAN. My second question is how important do you believe the condition of your infrastructure is to the economic growth in this area?

Mr. SFERRA. Well we have one bridge in our city that the engineering report said it was scary and it is going to cost around $5 million to replace just that bridge. That is a vital link between two sides of our town. But I think especially in the townships and in the country, the infrastructure, if Mr. Miller wants to address that as far as bringing sewer—we have a lot of undeveloped land in this area but we cannot get sewers or water lines out that far.

Mr. MILLER. If I can, perhaps by example, pick one of the projects that I submitted. I have heard earlier mention of the proposed interchange at Kings Grave Road and Interstate 11 that is scheduled. That area is prime for industrial and commercial development; however, we find that we have an existing wastewater treatment plant which the county is currently leasing from the airbase out there, and operating in an attempt to provide limited capacity for some existing commercial and industrial development. With the interchange, we definitely need a sanitary sewer improvement stretched out to that area. We are talking about a million and a half dollar improvement, that currently, the only way we can finance is by adding this cost to the monthly sewer bills of the existing users in an assessment. This does not come close to covering that cost. If we start adding these type of capital improvement costs to the existing sewer rental charges, you are starting to make the cost of sewerage treatment unaffordable, based on median incomes and percent of that income that should be charged to wastewater treatment.

So with the coming of road improvements, you also need the water and sewer improvements so that the following commercial and industrial development can proceed in a normal manner.

Mr. ORWIG. Mr. Chairman, you asked what we specifically can do in our local communities. In my township, we have passed levies, bond issues to the extent that we are probably very closing to the highest taxing district in Trumbull County. We cannot go any further, we cannot ask the people for any more money. We have a budget of between three and four million dollars and we spend—we have about 20,000 population. We spend that money, every bit of it every year and we do as much as we can with road repairs, culvert repairs. We are not permitted to put water lines in, we are a creature of the Ohio legislature and we can only do what the Ohio revised Code permits us to do. There are some new bills that have come out that will permit us to do some things. It is new and we will be getting into that, but we just run out of money all the time.

By the time you pay your employees, your police, fire, road department people and your secretaries, you are spending 70–80 percent of your funds right there and what do you have left for lights, gas, telephone, those kinds of things. We just cannot go any further.

Thank you.

The **Chairman**. Mr. Mayor, on the bridge in Warren, what happens when you go to the State Department of Transportation and seek funding for its repair out of the state's apportionment of federal bridge replacement and repair program funds?

Mr. **Sferra**. Well we are currently on the list where the state will pick up 90 percent of the funding, but still for the City of Warren, we have to come up with $500,000, either in another user fee or we have to go out and sell bonds.

The **Chairman**. So you have to pick up ten percent of that.

Mr. **Sferra**. Yes. And $500,000 to us is a lot of money. If worse comes to worse, we will just have to go on the market and sell notes and get ourselves deeper in debt.

The **Chairman**. My next question is will not the state's program fund its repair and the answer is yes, but the problem is how do you get local matching funds to match that.

Mr. **Sferra**. Right, that is—with Issue 2 every year I think the percentage goes up too. It is a problem with all of us. Ninety percent is nice, but we still have to come up with our ten percent.

The **Chairman**. The matching funds, that is something of course that we all have to do, we have to require that the local people come up with something, some type of matching.

Mr. **Sferra**. Right.

The **Chairman**. And in every place—I know in one of my areas, which—right near mine—is an area that we normally think of as fairly well off, but they needed some road work there and they were not able to come up with their matching share, so they were turned down. Finally we got permission for them to institute toll roads, one for each place, to raise money locally, to match the federal and state funds that were available for the project.

Mr. **Sferra**. That sounds like a good idea, but I imagine they would probably drop a rope over the bridge with me on the end of it. [Laughter.]

The **Chairman**. There was lots of screaming about it.

Mr. **Sferra**. And if I go, Traficant is coming with me. [Laughter.]

Mr. **Traficant**. Nothing we can do about that, Mr. Chairman.

The **Chairman**. Okay. Well why do you not ask a question.

Mr. **Traficant**. The Mayor is, without question, hanging over the bridge holding on to the end of the rope. And we do not want that.

The **Chairman**. And you are on the other end of the rope?

Mr. **Traficant**. I do not know. I do not want to be on the other end with him. [Laughter.]

The **Chairman**. I was going to ask him why you did not let go. [Laughter.]

Mr. **Traficant**. I think that again, each—I know the City of Warren has come up with an extensive list of projects. These projects probably need some clarification for me, specifically, to know which ones the states have already agreed to participate in and maybe put on the schedule, even though it is a future schedule. And then I can look at ways and means to try and help in some of the areas where they have not seen acceptable or they have not approved anything at this point.

Let me just say this real briefly. We give money to you through the state. One of the witnesses formerly, and maybe I should come back to this so that we understand that or maybe reinforce it. The federal government returns money from the taxpayers to the communities, but through the state. And the state legislature and the Governor and the state senate, they make the decisions on what projects are worthy, and they have the federal money to apply for those local needs.

One of the things that we have to do is understand that when we say the state is helping us, we are not getting any help from the feds—the money that you are getting from the state is coming from the feds. We have to make sure that our projects are placed around and on a schedule and being prioritized so that we get those funds, number one.

But number two, there is no question that America needs specific federal dollars targeted towards infrastructure improvements. Now Chairman, one of the things we had is we had a call from the local newspaper and they asked my staff, they said what is that meeting about with the Chairman from California and they said well it is about our infrastructure needs. They said well that sounds a little boring.

One of the problems you have, you see, is everyone is talking about economic development, everyone is talking about all these sexy programs, but nothing happens unless you have the highways, nothing happens unless you have the water lines, nothing happens unless you have that water system. There is no economic development without transportation networking. So what seems to be boring is what has been holding our area back a long time. We seem to have not done it, no one seems to care.

Now we are going to have to do that. We will have a bill and we want to stay away from the words "revenue sharing" because those will kill it. But it will develop monies at the federal level specifically for the—at the discretion of local communities—for infrastructure and infrastructure only. This will not be to pay personnel or to run county government, absorb the cost. But that initiative is coming forth from me and other members, including our Chairman, and that will be a target or our particular Committee, of an infrastructure fund specifically geared toward your needs, money that would come directly to you in the form of what we used to call revenue sharing. So that is being done.

I will not take any more time, but again, we want your specific projects from each individual township submitted so that someone does not say we want help, we want help, everybody asks for help but they do not tell us what those specific things, by project number.

Mr. **Orwig**. You shall have them, Mr. Traficant.

The **Chairman**. Thank you very much for your presentations. I could ask you more questions but I have also got some other panels that I know we have got to get on here this afternoon.

Our third panel is William Fergus, Mahoning County Engineer; Edward Ryser, Trumbull County Engineer; Jim Wells, Manager, Transportation Program, Eastgate Development and Transportation Agency, the EDATA. The order was Fergus, Ryser and Wells. You can change it, but that is also pretty good.

And incidentally too, I would like to have you make your presentations relatively brief if you can, two or three minutes, and your entire prepared remarks will be made a matter of the record. So do not worry about it not getting in.

[Prepared statement of Mr. Sferra appears on p. 737.]

[Prepared statement of Mr. Miller appears on p. 690.]

[Prepared statement of Mr. Orwig appears on p. 717.]

TESTIMONY OF WILLIAM P. FERGUS, MAHONING COUNTY ENGINEER; EDWARD E. RYSER, TRUMBULL COUNTY ENGINEER; AND JAMES T. WELLS, MANAGER, TRANSPORTATION PROGRAM, EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY [EDATA]

Mr. FERGUS. Thank you very much, Chairman Anderson, Honorable Congressman Jim Traficant, thank you for the opportunity to speak and testify before this Committee today.

In order to address Mahoning County's needs regarding infrastructure management, a study was conducted. When the cost factor portion of this study was completed, it was difficult for our local officials to comprehend the amount of money needed to maintain the existing level of service, let alone finance any new or expanded projects. Furthermore, the magnitude of these costs is inconceivable to the general public.

As part of the study, the existing Mahoning County infrastructure has been prioritized according to the needs based upon separate pavement and bridge management systems. These managements systems are documented, and they refer to attachments in the summary I have given you, one and two, to summarize the bridge and roads under the jurisdiction of the Mahoning County Engineer.

The pavement management section details condition ratings for maintenance activity that is needed for each section of the county highway system and explains the necessary repairs and costs at today's dollar amounts. The total dollar amount for maintenance action for these roadways to make them acceptable and adequate is in excess of $185 million—again, for county maintained roadways alone.

To address Mahoning County bridges, a similar management system assigned a figure of an additional $70 million that is needed over the next ten years to get all 323 bridges maintained by the county up to an acceptable level. These projects include replacement, rehabilitation and general maintenance to all existing structures so that annual maintenance costs after the year 2000 can be maintained at a level that is suitable enough to support the ongoing cycle of maintenance.

To sustain the infrastructure, an efficient drainage system is needed. The present drainage system is inadequate, eroding and particularly deteriorating. In order to keep pace with growth and economic development, the widening of existing roads will be necessary, new and upgraded drainage systems will be coordinated with the pavement and bridge maintenance programs. This is a necessity because the condition of the drainage facilities is a contributing factor to the deterioration of the overall infrastructure system itself.

Present and future traffic safety needs are another issue and another fact. The increase in the volume of traffic not only abuses the roads that are not built to handle those amounts, but also creates unsafe conditions for the motorists.

The Mahoning County infrastructure system presently relies on its portion of state gasoline tax and license plate fees for revenue to maintain the system. Even with a recent increase in the license plate tax or fee, we will have to sell bonds in an attempt to match state and federal revenues to accomplish major construction for infrastructure projects.

I am confident that you can realize the vicious cycle that surfaces with retiring bonds with the hope that even if we can support our share of those much needed infrastructure projects, that federal revenue funding is readily available. For that funding to be readily available, I say this, that the federal Highway Trust Fund should stand alone and be released from the general federal budget. Secondly, that the federal highway funding, in particularly those areas where we in local government rely most heavily, must be reappropriated at levels which will at least give us the same level of participation. Third, it should be used only for one purpose—to improve the nation's transportation infrastructure.

Once again, I am confident that you can understand the severity of our situation and the need for your additional assistance regarding the Mahoning County infrastructure system.

And just a few other comments, I would like to say this, that the minimum allocation presently is set at 85 percent. The Congressman was very active in the last reiteration of the act to raise that so that the State of Ohio now has available to us minimum allocation funds under the Urban Highway System. The urban system is a system that we at the local level utilize the most as our bread and butter issues. That I believe is authorized at $500 million a year. That should be increased. There are a lot of areas that do not utilize those funds—we do.

Also, the participation in the federal system, federal highway system programs, based on individual projects, depending upon what percentage of federal aid funds there are, should not be reduced. We depend on them very heavily. We are developing programs in Mahoning County, most recently with the installation of an additional highway license plate fee increase, we are going to finance hopefully about $52–$53 million worth of projects, $40 million of that is federal aid money. Those monies are either urban highway funds, secondary funds, bridge funds and so forth. Those particular funds are being counted on now, they are very significant, we are going to need those when we go to the bank to sell the projects. Please consider that when you are reauthorizing the bill.

The Center Street project, very specifically as the Congressman indicated, is a very high ticket item. It includes at least three different sources of federal funding at the present time. We hope that we can depend upon that by the year 1996 when we hope to get the construction, or before 1996.

Thank you very much.

The CHAIRMAN. Thank you. Mr. Edward Ryser.

Mr. RYSER. Yes, sir. I would like to thank the Committee for the opportunity to be here today.

The office of Trumbull County Engineer has a severe funding problem.

Our office maintains 464 miles of road within Trumbull County and 515 bridges. The Ohio Department of Transportation has established an average life for bridges at 50 years. The average age of our structures in Trumbull County is 39 years of age. We are very rapidly running out of time. One fifth, or 20 percent of our structures are currently posted with a load limit of less than allowed legal load limit for vehicles. About one half of our bridges are structurally deficient either by load limit, narrowness, insufficient waterway, deterioration and so on.

Our 464 miles of county road are also in critical condition. The Ohio Department of Transportation recommends that asphalt roads be resurfaced on a ten year cycle. Past history tells us that our roads are being resurfaced on a 16 year cycle. This situation causes extremely rough roads, chuck holes, bad drainage, narrow and under-capacity roads making for an unsafe road system. Similarly, these impacts on signing, guard rail, signal systems, culverts, roadside drainage and pavement markings.

The above situation exists even though we have utilized an average of over $1.2 million of federal funding on our county road system per year.

I have enclosed a highway system needs booklet which was developed by our office when we attempted to secure additional automobile registration fees.

Hopefully your Committee could recognize local government's need for additional funding.

I would like to tell you that I think local government is being bypassed in one way or another by both state and federal governments in the area of funding. We are—especially here in Ohio, we are being tossed back to what they call permissive taxes to secure our funding. In some areas the permissive tax works. In other areas it does not because the official who has the responsibility for the road system may not have the support or the authority to put the tax on, so therefore, creating a very unusual crunch in my area where three Commissioners saw fit to put it on the ballot but not to adopt it themselves.

Other than that, I thank you, gentlemen.

The CHAIRMAN. Thank you.

Mr. Wells.

Mr. WELLS. I am Jim Wells from EDATA, the metropolitan planning organization, MPO, from Mahoning and Trumbull Counties.

Since our presentations will be read in, I will just keep this short and very informal.

I hope that Mr. Getchey's statement will also be read into the record.

Mr. TRAFICANT. I ask that Mr. Getchey, the Director of EDATA, statement be incorporated into the record as well, Chairman, along with Mr. Wells.

Mr. WELLS. He is out of town today and could not be present.

The CHAIRMAN. Mr. Getchey's statement will be incorporated into the record.

Mr. WELLS. Very good, thank you.

You have heard from Warren, you have heard from Trumbull Sanitary Engineer on the need for water and sewer lines. Trumbull County has presented an extensive list of projects. I believe Warren also has an extensive list of projects.

You have also heard of the state Issue 2 program, or the infrastructure improvement program. EDATA is the—administers this program for the two county area.

The needs that have been identified, infrastructure needs—wastewater treatment plants, sanitary sewers, roads and bridges, totals over $275 million. The state is providing $10 per person to each of the 19 districts in the state. That breaks down—with $10 per person we have needs identified by the local communities of $275 million, that breaks down to $522 per person of needs. The local communities are paying 10 percent, the state 90 percent for those infrastructure improvements.

We have—the disposable income of the population is also decreasing and they are paying for additional things, such as Mayor Sferra identified, the license plate tax that was implemented in the City of Warren. Mahoning County is also implementing a license plate tax and this is going on throughout the entire area.

But getting back to water, they have the same funding constraints. All water improvements are paid for by the users of the system. So for maintenance and repair, the users are paying for the system. For any expansion, it is the users that are paying for the system. I believe the Chairman asked at the beginning who does pay, and that is the answer, it is the local people that are paying for expansion of the systems.

We need additional appurtenances for the expansion of new systems. It is important to economic growth and development of this area. And it is not only in the undeveloped areas of the county. It is also within the old industrial areas of the county where water and sewer lines are needed.

The Congressman has developed a planning committee to develop land along the Mahoning River, the old mill properties. If anything should come about there for industrial development, they are going to need sewer and water lines in those areas. We are looking at an enterprise zone in that area, so that is another reason to look at some other program. I like the idea of an infrastructure program, maybe a categorical program for water, sewer, highway—well we have a highway program—water and sewer program, specifically water within Mahoning County and Trumbull County.

I have listed in my presentation the projected loss of population within the two county areas as prepared by the Ohio Department of Development. They show a loss of almost 100,000 people by the year 2010. Without the new infrastructure or without replacing infrastructure, this may become a reality—I hope not.

That is it.

The CHAIRMAN. I want to thank you gentlemen for your presentation. They are very helpful and we thank you for them.

My question is, given your engineering and transportation expertise, can you tell us what new technologies now exist or might be in the works that will help ease some of the problems we have with our public facilities? For example, are there techniques that would improve the capabilities of new or repair construction, perhaps reducing construction costs or lengthening the life of highways or bridges or airport runways, or even waterway systems for waste removal? Are there some of those kinds of things that we should know about?

Mr. FERGUS. From the standpoint of materials, there is a continuing evolvement in the marketplace for new or modified materials. This area of the country is very prone to freeze/thaw, cold/hot cycles. It is very disruptive to the pavements, the bridges and everything else that we have to try and move people with. The problem is that standards are such that they are slow in reacting to some of these new materials and new techniques.

Sometimes we feel like we are stepping back instead of forward. We are running now into situations where we are dealing with hazardous materials disposal and audits in some of our projects. They are slowing them down almost to a standstill. It is almost like reinventing the wheel.

From the standpoint of utility for most of our projects, by and large we agree that if 50 years ago a bridge was constructed over a particular ravine or particular facility and we can do away with it today, we are doing away with it. We are putting in fill material and putting a solid roadway over the top of it.

We are keeping up with technology as much as we can, but by the same token, sometimes technology does get ahead of us in this particular area. It is tough in this climate to introduce new materials.

Mr. RYSER. If I could just comment—I recently, with my wife and at my own expense, spent 17 days in six foreign countries in western Europe. I had heard this many, many times myself, as I am sure you gentlemen, being over there, have seen what I witnessed. Being from Ohio and chuck holes and cracks and pavement failures and one thing and another, I could not believe it. In those six countries, I traveled 3,000 miles by bus in that 17 days and that bus hit one chuck hole. They could not get out of Boardman and get to Hubbard without hitting 500. [Laughter.]

I guess what I am saying is that as an engineer, I feel like I have been defeated. I feel as though we do not know the first thing about building highways. With the exception that I did take note that western Europe does not seem to have our clay situation, or nice, soggy clay situation. They do have our freeze/thaw, but there is not the pavement swelling in the freeze/thaw cycle and the busting up. How we get around that as engineers—I do not think there is any way possible within a financial means. Sometimes we would be better off, I think, if we—I do not know how to say this, but go very slowly on our technical adjustments—sometimes, such as full depth asphalt we now know will not work in our area, but we have spent 15 to 20 years losing the ball on salt springs and some of the others where we are having trouble. But full depth asphalt will not work on a clay surface.

There are some others. Of course, if you go overseas, they use granite and nothing but limestone, and our slag we use with our bases here today, and Congressman Anderson does not even know what I am talking about, but mill waste that we use here for a road base, they would not even use it in a fill. And we are using it to build roads on, simply because we as engineers have been forced to design, because of price and not because of quality.

There is another thing that I think sometimes we have left the old style designs, the cold mixes, the seal coats, the slurry seals and some of that, we have failed to keep up with that simply because it is maintenance and we do not have money for maintenance—that type of money or that type of maintenance.

The CHAIRMAN. When you mentioned western Europe, west Germany was probably part of that.

Mr. RYSER. That is right.

The CHAIRMAN. That is one of the countries that is about the size of one of our states, but they spent, last year, twice as much as the entire United States on infrastructure. So when you get a little country that is about the size of one of our states spending twice as much as all of our 50 states put together, you get an idea of why they are able to out-bid us in some of our competition.

Mr. RYSER. Their roads are beautiful. They put in a—we build roads and we do not back them up. By that I mean by the edge, we do not back them up, unless we are going to have a regular curve. They will bury a curve to make sure that the base cannot spill out and push out beyond the thing. We could not even think of that financially. They are doing things over there that is unbelievable too—as an engineer and with a budget, I cannot comprehend it.

The CHAIRMAN. Mr. Traficant.

Mr. TRAFICANT. Just two things real brief. West Germany is the size of Michigan or the State of Washington, and the Chairman I think said it all there, they are investing their money.

Jim, I want you to submit specifically water projects. I know you have worked very hard on that and there are some specific needs, specific projects. I want you to identify them in writing by number.

Mr. WELLS. We will do that.

Mr. TRAFICANT. Second of all, I just have one question and statement for both of the engineers here from the respective counties, you are doing a real good job. You talked about the urban highway system and that particular fund that you particularly expend. I would like for you to submit specific needs under such a system and support your position and rationale for such expansion, and I will attempt to offer a legislative amendment to that fund for increases, if the Committee then could see those specific needs and you could specify in that regard—both of you fellows maybe. And I would make your recommendations in writing placed upon the record.

The CHAIRMAN. Thank you very much for your presentation. It is very, very helpful to us.

And now we will hear from our fourth panel. We have three more panels. Our fourth panel is Jim Abicht, Executive Director of the Warren/Trumbull Community Service Agency in Warren, Ohio; Van Nelson, Youth Director, Warren/Trumbull Community Service Agency, Warren, Ohio; Warren Harrell, President, Northeast Homeowners Association of Youngstown, and Mary Ann O'Neil, HOPE Coordinator, Catholic Service League, Youngstown, Ohio.

I read them Abicht, Nelson, Harrell, O'Neil, but that does not have to be the order. Take it any way you wish.

[Prepared statement of Mr. Fergus appears on p. 673.]

[Prepared statement of Mr. Ryser appears on p. 718.]

[Prepared statement of Mr. Wells appears on p. 755.]

[Prepared statement of Mr. Getchey appears on p. 678.]

TESTIMONY OF JAMES W. ABICHT, EXECUTIVE DIRECTOR, WARREN/TRUMBULL COMMUNITY SERVICE AGENCY, WARREN, OH; VAN NELSON, YOUTH DIRECTOR, WARREN/TRUMBULL COMMUNITY SERVICE AGENCY, WARREN, OH; WARREN HARRELL, PRESIDENT, NORTHEAST HOMEOWNERS ASSOCIATION OF YOUNGSTOWN; AND MARY ANN O'NEIL, HOPE COORDINATOR, CATHOLIC SERVICE LEAGUE, YOUNGSTOWN, OH

Mr. ABICHT. My name is James Abicht, I am the Executive——

The CHAIRMAN. I pronounced it wrong, did I not?

Mr. ABICHT. You were close. I am the Executive Director of the Warren/Trumbull Community Service Agency, which is the local community action agency for Trumbull County, Ohio, or as some other people call it, the "Anti-Poverty Agency". And I guess I am here to speak very briefly about the needs of the low income in Warren and in Trumbull County.

Whether it relates to infrastructure, I hope so. It certainly relates to the issue of transportation.

I come from a city which is the largest city in Ohio, largest county in Ohio that does not have any type of public transportation. In my written testimony, you will see the horrible statistics about the high rate of unemployment, like 25 percent in one section of the City of Warren, and also the lack of job opportunities in our community.

Now consequently, there have been some solutions put up. A tax levy for I believe it was two mills for the local share for public transportation, which would cover approximately 25 percent of the cost. People have been taxed and taxed and taxed to replace the federal and state funds that have been cut off and also, like I said, because of high unemployment, they do not have any more money to spare. So they have voted down repeatedly these tax levies.

What my agency has done, we have put together sort of a patchwork system that we do provide transportation for approximately 400 people in the community; however, according to our studies there is a need to provide transportation for at least 8,000 in the City of Warren, people who have no other way to get to jobs, job interviews or for that matter any type of social services.

I would hope, even though the Congressman has not asked the question yet, a possible solution might be that for high impact areas such as Warren, Ohio, that instead of the required 25 percent match, that perhaps for the first year or first two years, that could either be lessened to ten percent or five percent, or perhaps zero percent, so the system could be started up to show the public that it would be a great asset to the community and then perhaps it would be easier to pass a tax levy to provide public transportation.

Thank you.

Mr. NELSON. Thanks, Mr. Abicht, my boss, my friend.

The CHAIRMAN. Incidentally, I appreciate you making it shorter than what was presented here. We hope you can keep it fairly brief, but your entire written statement will be in the record.

Mr. ABICHT. Thank you.

Mr. NELSON. I would like to thank Congressman Traficant and the Committee for allowing us to testify today. As Mr. Abicht stated earlier, there are barriers to overcoming poverty like the absence of public transit access within the County of Trumbull and in the City of Warren.

In addition to transportation, one of the most pressing problems within the county and especially in the City of Warren is the lack of sufficient, adequate and affordable housing for many residents, a problem which is magnified for so many of the city's low-income residents. Because so much of what I have written here has been stated already by county and city officials, I am going to hit and miss around here, and if you have had a chance to look at my testimony, you will see that it would totally change the color of this conference today, and I do not want to do that.

According to the 1980 census, there are roughly about 84,000 housing units within Trumbull County with 22,354 in the City of Warren. Based on current housing data from the local MHA, there are 21 public housing projects within the county and assistance is provided to approximately 2,700 families, about 9,000 people. Yet again, based on this census data, over 12,000 families who are 35,000 people, are eligible for subsidized housing county-wide with nearly 5,000 people residing in Warren alone.

Accordingly, less than 20 percent of those persons who are eligible for subsidized housing actually receive it, leaving roughly 9,000 low-income families unable to receive any type of housing assistance. Unfortunately, many of these persons reside in the City of Warren and an unusually high proportion tend to be black and residing in the southwest and southeast sections of Warren, called the Sixth Ward. Not just the Sixth Ward, there are many Sixth Wards all over Trumbull County, all over Ohio, all over the nation.

Given the alarmingly high level of families who are eligible but do not received subsidized housing within the county, it is not surprising that many of these families are confronted by other barriers which effectively prohibit their own self-sufficiency.

Over the past two years, another potentially more serious problem has arisen in the Sixth Ward, or if I describe it you will know there is a neighborhood like this in every city that we all reside in—the franchising of youth gangs, drugs in many of these public housing units. The gang problem has been well documented in many larger metropolitan areas, but I am here to tell you now that the organized gangs, if you do not know, they are here in Youngstown and Warren and all these little towns here. And they tend to promote vacancy rates that have been estimated to approach 40 to 50 percent. Our people are afraid to live there any more because of the presence of these gangs.

I would like to take a moment to discuss a particular area of the City of Warren—again, the Sixth Ward. A copy of the Sixth Ward analysis developed by WTCSA is included with this testimony but I will just highlight it.

It consists of three basic census tracts, population of 6,000, over 80 percent residing there are black. Four major housing projects in the ward out of 21 in the entire county. Nearly 60 percent of all these residents are below poverty, nearly 40 percent of these households are headed by female and the unemployment rate within the ward is at least double the city's rate. All of the so-called barriers or problems that we have discussed here today are clearly evident and in fact magnified in the Sixth Ward or neighborhoods like the Sixth Ward. In one major project in the Ward which has 200 units, nearly half of them are vacant and boarded up due at least in part to the presence of organized gangs and a rampant drug problem, but that is a whole other conference. The ward has the lowest per capita income in the city, the highest unemployment rate and the highest poverty rate. Nearly 50 percent of all single-family dwellings in the ward are rentals. The median value of this ward's housing stock is less than 60 percent of the city's average and nearly one-fourth of all the vacant and/or dilapidated dwellings in Warren happen to be in the Sixth Ward or neighborhoods like the Sixth Ward.

Yet, despite the harshness of this data, the ward also has the highest per capita educational level of any area in the city, and the number of individuals who attended or graduated from college is double the city-wide average. We all know that poverty is an insidious disease that does not discriminate on the basis of race, religion, sex, handicap or education level, but once that disease is manifest, it is not easily eradicated.

The lack of subsidized housing, a deteriorating housing stock and the lack of serious homeownership investment in areas like the Sixth Ward has created an untenable and unmanageable situation. The entrance of franchised gangs and the high incidence of drug use and sales has compounded these problems.

The poverty in the Sixth Ward and in fact throughout the City of Warren and Trumbull County is very, very real. The paradox of poverty, gentlemen, ladies, is that poverty even exists in this, despite what everybody says and what I hear on the news, the most powerful and the richest nation on earth. The paradox is even more difficult to understand because we know that the tools and the strategies to eradicate it are present in our society. These solutions, I admit, are neither easy nor inexpensive, but in our opinion infrastructural improvements that have been mentioned by our county officials and city officials need to be implemented, as they may help to remove barriers—like transportation, employment, education and housing. That has to be our first step.

And I thank you for your time.

The **Chairman**. Thank you.

Ms. **O'Neil**. They asked me to go next. I am Mary Ann O'Neil and I am from Catholic Service League.

I almost feel like saying "ditto" to my fellow panelists as far as Mahoning County goes. But let us just listen to a few of the things that I have learned.

Our agency has seen an increase in people whose main focus has been their housing problem, especially people who are under-employed. We have two people working in a fast food restaurant, you add two children or three or four, no medical insurance, a car that is dilapidated and needs repairs and you have difficulty just surviving, let alone providing adequate housing for your family.

Twenty agencies in our surrounding area did a survey and we found that a third of those who were having problems were doubling up. Now a lot of you—and myself at one time also—saw the homeless population as those who lived in shelters or under our bridges or down around the town. But many of these are people who are doubling up with other families. Just think about it yourself, maybe all of you have had some relatives or friends come to visit on vacation for a week, and sort of toward the end of the week you were rather praying or hoping that the week would be over and they and their children could go home. But how would you like someone to move in with you and really not know when they were ever going home.

When you think about this, it is very serious. Almost 50 percent of the children in the surveyed group were—or 50 percent of the population were children ten years of age and under.

We need more subsidized housing and better monitoring of this housing. The government paid for it, they should monitor it more closely to make sure that it stays in good condition, that the families are adequately housed.

The government is already spending billions on this problem in its efforts. Let us go one step further, let us double the numbers of subsidized housing and monitor all of their care. If we do not, we are going to pay anyway in social services and the judicial system. The housing problem is the impetus which gives all other social programs a start. It is like an incubator just allowing them to fester and grow. The statistics are staggering, the money necessary is astronomical, I know that. But remember, no matter what numbers you believe are correct, these are people and as long as our citizens—our citizens in the United States are without adequate housing, our job is never going to be complete.

Now our agency does have a program that we hope—no pun intended—which stands for Home Ownership Protective Effort. These families who are living in government-insured, FHA homes, and there are also some banks in our area participating, if they are two or three months behind in their mortgage, we can try to help them by budget counseling, by working with the banks, by exploring other alternatives for money and providing social services from our agency. However, again, the hardest hit are the under-employed and the welfare recipients who really do not have enough money in their hands to make a house payment or to do what is needed to provide extra care and adequate housing for their families.

And I thank you all for listening too.

The CHAIRMAN. Thank you. And Mr. Harrell.

Mr. HARRELL. Mr. Chairman, Honorable Congressman Traficant and Committee members, I am Warren Harrell, President of the Northeast Homeowners Association, which is an organization comprised of homeowners, who own real property on the east side of

Youngstown, Ohio. The organization was formed to protect the mutual interests and the basic property rights of the homeowners on the east side of Youngstown.

The east side of Youngstown, Ohio is a predominantly black neighborhood highly impacted with public housing.

The Youngstown Metropolitan Housing Authority, contrary to the intent of the U.S. Housing and Community Development Act of 1980, violated the act to avoid building the units in other parts of Youngstown, Ohio, which are not racially impacted.

YMHA has built public housing on Woodside and Sunshine Avenue, which will serve to further concentrate predominantly black public housing in one area of the City of Youngstown, contrary to the intent of the Housing and Community Development Act, Equal Protection Act of the United States Constitution and the Public Housing Site and Neighborhood Standards Act.

In November and again in December, 1989, we appeared in the United States District Court, Northern District of Ohio, Eastern Division, Judge David D. Dowd, Jr., presided at a hearing which we were seeking permanent injunction against YMHA to prevent them from building on their designated sites. Judge Dowd ruled that YMHA could build the units, based on the Youngstown Housing Assistance Plan, and the Northeast Homeowners Association also had a right to pursue further court action as an organization.

It is our opinion that the HUD low income housing program must be more clearly defined, so that the Regional Administrators, Directors and local officials will be more responsive and sensitive to the needs of the residents of the community.

We further believe that the site selection process in its present form and as implemented by YMHA needs intensive monitoring by a federal auditing agency for compliance of their housing program.

In closing, let me emphasize that we are for low cost housing because there is a dire need, but they must be equally distributed throughout the metropolitan area.

We have documentation which was presented to the court to support our opposition to YMHA and their housing program, which has been unfair to the citizens of this community.

I want to thank you, Mr. Chairman, for the opportunity to present our viewpoint and well known facts to this Committee.

The CHAIRMAN. Well I want to thank you all for your enlightening comments.

Mr. Abicht, you testified that there is no public transportation. Has there been any attempt to attract private sector providers to come in and fill that void?

Mr. ABICHT. There has not been any public transportation since 1974. There have been two attempts, early 1980s and mid-1980s to extend the Youngstown/Mahoning transportation system into Trumbull County. As far as attempting to attract private contractors, I would imagine that my agency is probably the closest thing to that in that we are a private non-profit agency and we are operating, like I said, a patchwork system.

The CHAIRMAN. Mr. Traficant.

Mr. TRAFICANT. I would like to respond to that. I think the City voted down an effort of the WRTA to come up there on a regional basis. I think that a regional approach to that—I do not think that everybody, with the hardships that exist, is going to be able to provide their own. I think a regional measure is the only measure, and that has to be accomplished some way.

I have, Mr. Chairman, one particular point here I wanted to make. You talk about a match problem, Mr. Abicht and maybe waiving that 25 percent, 15 percent, 10 percent. I would like for you to put your ideas down in writing in short form and send them to me.

Mr. Chairman, this particular committee was asked to attend not because of their infrastructure input, but to place on the record of this particular hearing the fact that the hardship they represent. They have discussed housing, they have discussed poverty, they have discussed youth. The area here, both Mahoning and Trumbull Counties, would be a microcosm of the nation in those particular regards—tremendous unemployment, no opportunity for young people to get work. Housing is fragmented, some of the policies of housing probably should even be investigated. So even though it is not particularly an infrastructure concern specifically, I wanted the Northeast Homeowners Association problem placed on the record with Mr. Harrell and I wanted the respective information brought from each particular group that we selected to offer this testimony, to augment the need for jobs, commitment to infrastructure opportunities for industrial and economic expansion, as how those side effects will impact upon those areas.

So I do not have any specific questions for this group except I would like your—Mr. Harrell, about the auditing procedures, the monitoring, I jotted down a note there. I would like for you to send me your ideas on how the housing program must be more clearly defined, what you mean specifically by that, put it in writing for you and your organization. Second of all, about the auditing, even though this is a different situation and does not deal with this Committee here, the auditing and monitoring and some of the ideas you have there from a local perspective, and we will bring somebody in from HUD with your organization, since you have developed that, and we will tie it in with Catholic Services League.

So they are not here for more or less infrastructure, but I wanted their information on the record to document the hardship and how this infrastructure improvement would help to improve some economic climate that would impact on these areas, to show you the need of infrastructure.

The CHAIRMAN. Thank you, Jim.

Mr. HARRELL. Mr. Chairman, may I make one other comment? I want to thank our Congressman Traficant for setting up this type of hearing. This is the first, to my knowledge, that we have had an opportunity to present our views from this area and the City of Youngstown, and I want to say to Congressman Traficant we really appreciate it and keep up the good work.

The CHAIRMAN. I want to thank you for your enlightened comments.

I have one little thought I might just throw out. Although many of the issues and the problems that you have mentioned and that you deal with are not directly under the jurisdiction of the Committee on Public Works and Transportation, they are of course of concern to all of us. Still it seems clear to me that improved public facilities enhance the well-being of people generally and provide the foundation for economic growth and development, which in turn affects the work that each of you are doing.

Do you agree with me on that?

Mr. **Harrell**. Yes, definitely.

The **Chairman**. I realize that people who are without work or without jobs or have housing problems, when you get infrastructure there that brings activity to the area, you do provide jobs, you do provide some things that help the whole general situation.

Mr. **Harrell**. That is the sole core in my opinion, that is the sole core of the family structure, to begin there. Without that, we have a fragmented community and we have numerous problems that these social agencies will not be able to handle without financing.

The **Chairman**. Do you have anything else you want to mention?

Mr. **Traficant**. The other thing that I think is very important for the social service community and the providers of services and those people that work with those in the area that are impacting upon the hardship, that we look at larger types of problems or remedies. And I think transportation is certainly one that will affect everybody and I think that we have to look towards a regional mass transportation program and if we have to, we are going to have to sell it some way. That might be worthy enough to get everybody together on that issue, I think that would be very important, and we would look at match as well.

I have no further questions, Mr. Chairman.

The **Chairman**. Thank you all for your very good presentations.

We will get ready for our fifth panel. Our fifth panel includes Bernie Gunter, Director of the Social Security Office, Mahoning County, Youngstown, Ohio; John Emanuel, Director, Social Security Office, Warren, Ohio and Martha Murphy, Director of the Ohio Department of Aging, District 11, Youngstown, Ohio.

You can take that order of Gunter, Emanuel, Murphy or you can change it any way you wish. The floor is yours.

[Prepared statement of Mr. Abicht appears on p. 635.]

[Prepared statement of Mr. Harrell appears on p. 685.]

[Prepared statement of Ms. O'Neil appears on p. 696.]

TESTIMONY OF BERNIE GUNTER, DIRECTOR, SOCIAL SECURITY OFFICE, MAHONING COUNTY, YOUNGSTOWN, OH; JOHN EMANUEL, DIRECTOR, SOCIAL SECURITY OFFICE, WARREN, OH; AND MARTHA MURPHY, DIRECTOR, OHIO DEPARTMENT OF AGING, DISTRICT 11, YOUNGSTOWN, OH

Mr. **Gunter**. Thank you, Mr. Chairman. It is good to see Congressman Traficant with us today also.

My name is Bernie Gunter. I am District Manager, Social Security Administration in Youngstown. My district encompasses Mahoning County.

Naturally, you wonder what I am doing here talking about infrastructure. Really that is not my purpose. I thought rather you needed information about how the situation is in Mahoning County. You have heard many people say we need this, we need that. I can tell you some information which supports the comments that you have heard.

First of all, Mahoning County has a high rate of beneficiaries receiving social security. As of the 1980 census, there were approximately 289,000 residents in Mahoning County. There have been some losses since that time, but as of today—or as of December, 1988, we have roughly 40,000 retired workers and wives receiving social security. We have approximately 4,000 workers receiving disability social security.

If you take a look at this on a more simple basis, we can say that in Mahoning County, there is one social security beneficiary for each 4.9 residents in the area. That is more than one out of five people as you walk down the street. This compares to a national average of one beneficiary for each 6.5 residents. The point is that we are extremely heavy with beneficiaries, beneficiaries are not known as having high levels of income—although some do.

In turn, our beneficiaries over age 65, Mahoning County has one beneficiary for each 6.8 residents in the county. This compares to one beneficiary for each 8.8 on a national basis. Again you can see the trend, we are extremely high in the number of beneficiaries.

For disabled people, in Mahoning County, we have one beneficiary for each 71.9 residents, compared to a national average of one beneficiary for each 86.8 residents. In all three of our major categories, we are running a substantially higher number of beneficiaries who, for the most part, are low-income.

I took the liberty to do a little more research today and to give you an extremely brief picture. Considering that in 1980 we had 289,000 residents. If we add up the number of beneficiaries receiving retirement, survivors and disability social security, those receiving supplemental security income form social security—this program is designed for the extremely low-income—and if you add to that the number of people receiving aid for dependent children, aid for dependent children of the unemployed and general relief, the grand total will come to 97,955 people in Mahoning County receiving a government payment. I think this points to the reasons we hear with most of the presenters today saying we need funds from some source.

With that, I will close.

Mr. EMANUEL. Chairman Congressman Anderson, Congressman Traficant, thank you for having us here today. My name is John Emanuel, District Manager, Social Security Administration in Warren, Ohio. My service area consists of Trumbull County and Portage County; however, today I am going to devote my remarks to Trumbull County.

As my colleague, Bernie Gunter, has mentioned, I think that statistics sometimes are boring, but I also think that they very clearly often present a case and I think that the situation that we want to present here today is that both Mahoning and Trumbull County have an abnormally high number of retirees and disabled individuals, who have infrastructure needs.

These folks who are receiving social security, who are retired, who are over 65, who are disabled, have the need for roads, have the need for good water supplies, have the need for good sewer systems. They have all the needs that all the other of our citizens do but they are even perhaps more vulnerable, so they have greater needs in many of those areas.

In Trumbull County, there are over 40,000 people receiving social security benefits. If you stop to think that the county has about 240,000 people, that is one out of every six individuals. One out of every six is receiving a social security benefit.

There are 2,250 people getting SSI benefits and that is a benefit for extremely low level income individuals. When we relate that to the national population—and Mr. Gunter mentioned some of these figures and I wand to reinforce those—Trumbull County has a rapidly growing aged population, very rapidly growing aged population. Of the four surrounding counties, it is the fastest growing in terms of numbers of elderly. But in Trumbull County, one out of every 5.9—and I hate to get into decimals but when you are talking about large numbers, it is significant—one out of every 5.9 people gets a social security check; nationally one out of every 6.5 people get a social security check. But what we have done is combine Mahoning and Trumbull Counties because it constitutes most of Congressman Traficant's District. Combined Mahoning and Trumbull Counties, out of ever 5.3—and I do not know how you get 5.3 of a person, but out of every 5.3 people, one person is receiving a social security check and that means for his combined district, you are talking about approximately 20 percent of the people in these two counties receive a social security benefit.

How does that relate to infrastructure needs? The needs are there, the dollars may not be. Those are not people in the work force, those are people who are receiving a benefit of some type.

You get to over 65, the over 65 people, one out of every 7.4, every 7.4 people in Mahoning and Trumbull Counties, one of them is over 65 years old. Compare that to the national figure, it is one out of every 8.8. Now that does not sound significant, but that is a dramatically larger number of aged people in the population in these two counties.

Disabled beneficiaries—we are not talking about disabled people, we are talking about disabled workers, I want to make that point. These are people who have worked, contributed, paid into the taxes of this country. Disabled workers, Trumbull, Mahoning County, out of every 76 people in Trumbull and Mahoning County, one of them is a disabled worker. How does that compare nationally? Well nationally, one out of every 87—we have one out of every 76, the nation has one out of every 87 who is disabled.

These are people who have infrastructure needs. They need good water supplies and systems and so forth. And I think when we given you—you know, it is hard to talk about statistics, I think they are easy to look at. We have tried to summarize those in a fashion that would indicate that this district is unique in some of its needs.

With that, I thank you for the opportunity to be here today.

The **Chairman**. Thank you, Mr. Emanuel.

Ms. Murphy.

Ms. **Murphy**. Thank you, Mr. Chairman, Congressman Traficant, my name is Martha Murphy, I reside in Youngstown, Ohio and I am employed as the Director of District XI Area Agency on Aging.

Thank you for the opportunity to speak to you today in regard to some needs of older persons.

The 65 plus population in this country has increased more than twice as fast as the rest of the population in the past 20 years. It is projected that the old old, those 85 years plus, will quadruple in size between now and the year 2030. These figures indicate that we, as a nation, are not only getting older, but that older persons are themselves living longer.

A goal of the Older Americans Act of 1965, as amended, is to keep persons in their own homes as long as possible. In order to maintain proper living conditions and provide quality services, area agencies on agencies plan, coordinate and fund programs in cooperation with other federal, state and local programs. Area agencies devise plans to assess and meet needs to the best of their ability. Such needs are identified and determined as a joint effort of the older persons themselves, by surveys and information based on the local service statistics.

In our area, District XI, transportation continues to surface as the number one priority need. Homebound elderly, particularly the frail elderly, living alone must have dependable ways to get to physicians, to grocery stores and elsewhere. Low income persons do not have the ability to pay for taxi rides. Frail persons lack the physical ability to use public transportation.

For these and for others who have independent access, decent roads and highways are necessary, not just for reasons of safety but for a sense of security and yes, for lower repair costs for those on a very limited budget.

Additional needs of older persons could be met by in-home services such as chore, homemaker and home maintenance. Physical needs require availability of home health, nursing and nutrition services and in some cases day care and respite. Important to the well-being of our older constituents is also quality case management. The newly implemented PASSPORT program in Ohio will be a step in that direction, but the dollars slotted for us are only a beginning for the proposed seven percent Medicaid eligible clients.

The Older Americans Act reauthorization is scheduled to occur in 1991. At this time the allocations enabled by the current legislation have not kept pace with the growth in our numbers of older persons. This problem, coupled with the constraints imposed by Gramm-Rudman, have caused inadequacy for the aging network to meet its needs. It is urgent that the federal government meet the needs of its elderly constituents, particularly those low-income and minority individuals who must turn to us for help.

Congressman Anderson and Congressman Traficant, I plead that you consider older persons as a priority in your deliberations at the Congressional level and that you use your influence upon your colleagues so that they too will consider the needs and wants of this most deserving segment of our society.

And I thank you for your help in the past.

The CHAIRMAN. Thank you, Ms. Murphy.

I want to thank the entire panel for your presentation. I found your comments most contributing and interesting.

When speaking of infrastructure, we refer to it as being at the very core of our Nation's standard of living. There is obviously a direct link to public safety and to the creation of jobs and higher take-home pay. Do you see as clear a link between the need for more infrastructure investment and the benefits to be gained for the elderly and for those who are living on social security?

Mr. **Gunter**. If you do not mind, I will respond. Yes, I think there is a definite connection. I think infrastructure is really the basis from which most other things are built. Infrastructure leads to better jobs, more jobs, more employers and this in turn leads to better living conditions for anybody residing within a community. I think it all goes together.

Mr. **Emanuel**. I also would like to respond to that question just to say that certainly our senior citizens, our disabled people, have concerns, many concerns that the average American perhaps does not have. They are more vulnerable and certainly they worry about the safety of their roads and they worry about a safe drinking water supply and they worry about safe and adequate sewerage and they worry about safe bridges. Those are worries that they should not have in this society. We would hope that those things could be alleviated from them. Certainly if they have the means for transportation and the means for safe water and sewerage supplies, they are going to feel better about themselves and enjoy the years that they should be enjoying, their senior years, without worrying about whether there is going to be an adequate water supply or not.

The **Chairman**. Jim.

Mr. **Traficant**. I wanted to ask these witnesses here to let you know, in addition to the last panel, the high ratio of seniors receiving social security. Not all of them are that well off. To show you how impacted this area has been by the economic demise of the steel industry, showing that if you have this high a concentration of social security recipients—the Director of the local welfare department was not able to testify here, but it would also compound it and I want to place—keep open his statement for the record, Attorney Robert Douglas, helping the Services Director of Mahoning County, for this record, to show you the high number of welfare recipients, social security recipients, that there just is no tax base for match, there is no tax base for the contributions from the local community that many other areas are able to afford. Therefore, to show and to impress upon the Committee the need for specific federal response in an area like this. Both of these directors of the social security offices are doing a real good job, I have not had a complaint. I know some Members of Congress who get a lot of complaints. They do a good job and there are a lot of people who are concerned about social security. And District XI Area Agency on Aging, Martha Murphy for many years has been an advocate, and she knows the needs.

So the point I am making with infrastructure is we do not have the money for match, we need a special federal emphasis and I think that this is just supporting documentation of that economic hardship for local tax base and other incentives like that, Chairman.

I have no specific questions. I want to thank them for coming, I know they waited a long time, but I wanted them on the record.

The **Chairman**. Thank you very much for your presentations.

We are getting toward the end. Our sixth panel is Charles Syak, President and Chief Executive Officer of Syro Steel in Girard Ohio and David Lewis also of Syro Steel in Girard, Ohio.

TESTIMONY OF CHARLES SYAK, PRESIDENT AND CEO, SYRO STEEL AND DAVID LEWIS, SYRO STEEL, GIRARD, OH

Mr. SYAK. Good afternoon, Chairman Anderson, Congressman Traficant. My name is Charles Syak and I am Chairman of the Board and CEO of the Syro Steel Company located here in Girard, Ohio.

I thank you for inviting me to address you on the subject of our nation's infrastructure needs, but first let me commend this Committee for traveling throughout the country seeking a first-hand view of the economic fiber of the many diverse elements that go into building of one of the world's most prized public works projects—the self-funding interstate highway system.

I am especially pleased that the Congress would come to Youngstown, Ohio to personally view and hear from the people who make up one of the most potentially dynamic economic regions of the country. For many years this area was one of the nation's leaders in the production of steel and other basic building blocks necessary to create and maintain an economically viable infrastructure.

Mr. Chairman, the robust economy of the steel belt has turned into the sluggish economy of the rust belt.

Is it coincidence that our productivity and growth and economic expansion disappeared at the same time that the rate of our national public investment in the infrastructure fell?

I do not think so. There is a direct link between public investment in our infrastructure and our economy.

Mr. Chairman, infrastructure and safety are a part of our economic well-being. The Syro Steel Company has been involved in helping to build our nation's transportation infrastructure for over 35 years. Products such as guard rail, bridge rail, steel bin walls, corrugated sheets for overpass and underpass structures, crash barriers, sheet pile as well as specialty products for the nation's railroad car builders and barge builders have been an integral part of our nation's highway, bridge and transportation system since the inception of the interstate highway system. Further, an ongoing R&D program devoted to highway safety is a top priority at Syro.

Today, I would like to address our nation's infrastructure needs for highway and bridge safety.

Mr. Chairman, as you know, Title 23 of the United States Code governs the federal-aid highway program and section 152 was enacted to eliminate hazards associated with our highways. This safety construction program is appropriately known by this Committee as the hazard elimination program.

The hazard elimination program is designed to improve safety along public roadways and to reduce accident and fatality rates associated with general roadside hazards. It is comprehensive and authorizes a diverse set of projects. Section 152 carries out its mission through the use of several mandates. Since this Committee is aware of these mandates, they need not be addressed at this time.

As to the funding, let me say that this Commission has authorized $170 million per year to be apportioned to the states for section 152 projects. The federal share of costs associated with projects authorized in accordance with section 152 is 90 percent.

A disturbing fact is that some states have many, many millions of unobligated funds just sitting in these accounts. Other states have literally spent all of the funds appropriated to them under section 23, section 152.

What are the accomplishments of our safety programs including section 152, the hazard elimination program?

Truly incredible successes have resulted since 1974. FHWA estimates indicate that safety projects are responsible for saving over 55,000 lives and preventing over one million serious accidents. Additionally, fatal injury and fatal-plus-injury accidents have been reduced by 47, 22 and 23 percent respectively.

What is the cost?

It has cost approximately $338,000 per fatal accident and $13,600 for fatal-plus-injury accidents reduced. The surprising success of this program, combined with the relatively low cost of that success, makes you wonder why Section 152 funds sit idle in the unobligated account of some of the aforementioned states.

The Surface Transportation Assistance Act of 1986 expires at the end of fiscal year 1991. The interstate system will also be completed. New legislation, based on hearings just like this one, will reflect necessary changes in America's transportation needs. Without a doubt, the hazard elimination program reflects a wise investment that this Committee made to benefit our nation's roadway users. We have a good program that has saved lives, reduced serious injuries and personal property damage. I strongly recommend that this Committee extend this program, as is, in the forthcoming federal aid highway act of 1991. Gentlemen, it is working, it ain't broke, so let us not attempt to fix it. If anything, try to squeeze some additional dollars into the program so that the safety benefits we enjoy today may be further enhanced and shared by the highway using public.

The Secretary of Transportation Skinner has indicated that the new transportation policy should contain a highway plan designed to carry us into the next century. He advocates a plan that would eliminate the hazard elimination program and introduce a safety system with very little federal control.

Can we afford to eliminate section 152 program?

I think not. Section 152 is a highly successful safety program. The broad diversification of safety projects implemented under 152 make the program a linchpin to the entire highway safety movement.

To splinter our nation's highway safety into 50 individual programs would do irreparable damage to our nation's highway safety system. Federal control will provide a unified effort for research and development, reduce costs, and maintain the necessary state of the art as it is developed. As a manufacturer, I cannot conceive of 50 variations of a single specification achieving the desired results, including cost savings. The need to continue the program is illustrated by the constant reduction in accidents and deaths, combined with the ever-present need to upgrade and improve the roadways.

To allow section 152 to be dismantled would constitute a serious blow to this Committee's enviable record in support of highway safety.

I urge you to reauthorize the hazard elimination program and include highway safety at the top of your list of infrastructure needs.

Thank you, gentlemen.

The CHAIRMAN. Thank you. Mr. Lewis.

Mr. LEWIS. Mr. Syak has——

The CHAIRMAN. That was it. All right, then we will go to our questions.

I want to thank Mr. Syak and Mr. Lewis, we appreciate your comments.

First, as a manufacture of highway guard rails, your business might produce more rails and your revenues could increase as more and safer highways are constructed or rehabilitated. However, on the other side of the balance sheet, how important is adequate infrastructure to your cost of doing business and your ability to produce, compete effectively and earn a profit?

Mr. SYAK. Dave, could you help me out on that? Could I ask you to repeat that please? I temporarily got lost.

The CHAIRMAN. Sure. As a manufacturer of highway guard rails, your business might produce more rails and your revenues could increase as more and safer highways are constructed or rehabilitated. However, on the other side of the balance sheet, how important is adequate infrastructure to your cost of doing business and your ability to produce, compete effectively and earn a profit?

Mr. SYAK. Well to begin with, we feel that we have a very economical operation. We have been in the guard rail business for approximately 40 years. Let us say it has been the life of the highway act, and we feel that we have contributed and that there is an ongoing need for highway safety, of which we feel we are a great part of. And highway safety is not limited to guard rails, it is limited to roadside objects, it involves the potential of flooding, it involves the potential of saving lives with let us say barriers, it involves the potential of saving lives in the structures that we build such as corrugated pipe.

The CHAIRMAN. In other words, do you not depend on a good infrastructure as a manufacturer and businessman, irrespective of what it is you produce?

Mr. SYAK. Yes, we do.

The CHAIRMAN. You have to transport things and you want to do it economically?

Mr. SYAK. We do, we have to transport things and we have to ensure ourselves, number one, that we have products that will withstand the rigors of heavy traffic, floods, fire and what-have-you. And we feel that we are a contributor to the national highway program with the many areas in which we contribute in terms of safety on our highways—not necessarily only guard rails, but the many areas such as barriers, bridge railing, corrugated culverts.

I would like to defer to Dave, if he could elaborate a little bit.

The CHAIRMAN. Mr. Lewis.

Mr. LEWIS. Yes, Chairman Anderson. I was asked a question earlier today if I minded being last and I said no, I do not, because it was five years ago that I was last testifying in front of you for the current surface transportation bill.

The CHAIRMAN. Good.

Mr. LEWIS. And at that time we were asking for addition for a couple of other safety products. One being an impact attenuation device, one being an energy absorbing device that could be placed on our highways.

I must share with you now the Anderson story, because the first device that was installed or the first group of devices that were in the State of Indiana, it was hit a year or two later by a couple by the name of Anderson. He was a man that was 72 years of age, had just gotten married and at 12:00 noon, he and his wife were traveling, he drifted off the interstate, hit this product at high—posted speeds—and they both walked away from the accident.

So I guess the point that we are making is that these things do work. These things that we worry about and we concern ourselves with spending the taxpayers dollars, in fact do work when put out on the highway under the system that is presently there.

The CHAIRMAN. Mr. Traficant.

Mr. TRAFICANT. Mr. Chairman, this is perhaps one of the finest manufacturers of safety infrastructure devices in all of America. I asked them to come here, even though I know it is late in the day, because I wanted specifically on record the testimony of Mr. Syak. If we are able to expand section 128, that is going to safe an awful lot of lives. What Mr. Syak and Syro Steel, Dave Lewis, are concerned is the Secretary of the Department of Transportation has his eyes on eliminating section 152, the hazard elimination program. He wants to throw it over to the state and everybody is cutting back, everybody wants to deregulate, everybody wants to take the federal share out. We are talking about lives.

I wanted on record his particular testimony because I think that would be one of the worst policies Congress could let this administration proceed forward with, let along, God forbid, be successful with, to eliminate that program. I want to make sure—Mr. Esposito and I have already talked, that we look to see if we could safeguard to ensure that, get enough votes in the Committee to prevent that type of fragmentation. And second of all, maybe even to bolster that program, because number one, the bottom line, it has saved lives. And every time Mr. Syak has offered testimony through he or his staff, including Mr. Lewis, even though they deal in that particular regard, their information has served a practical purpose because it has helped in the long run to save lives—in a very cost-effective manner, I might add.

So I wanted them here because I am concerned about section 152. I think his testimony is not only appropriate, but I think it should be the yardstick by which Congress ends up evaluating that administration proposal.

That is really all I have to say, except I want to thank them for participating and helping to make an expanded section 128 be the law. They need a pat on the back for that, Mr. Syak and his operation. So that is really why I had them here, because Mr. Skinner is attempting to make that move and I wanted you as Chairman to understand that and understand the significance and how it is going to relate to the states. And I think that is a real important issue to be brought to our Committee. If we could get your support, it would be one tremendous shot in the arm.

So that is all I have to say, Mr. Chairman.

The CHAIRMAN. Well thank you very much, Mr. Syak and Mr. Lewis, for your presentation.

We have two more, one at a time here, our next witness is Jerry Bostocky, Vice President, National Sales of the B.T. Alan Fireworks.

[The prepared statement of Mr. Syak appears on p. 742.]

Mr. TRAFICANT. I would just like to say this, I have this panel here—this is unusual and kept to the end here and we have also a representative from labor that I think is important for you to understand. I have asked this group to come forward now, they have a specific problem within our area, that deals with specific policy and interpretation of law. This particular group is going to need an understanding by our Committee ultimately because I believe they reflect a problem which is a microcosm of greater problems that can affect individual companies involved with the transporting of sold goods.

We have here present today the Chief Executive Officer, Bruce Zoldan of the B.J. Alan Company and he is here represented with his counsel and his staff.

I just wanted to say that. We are working on this, we are trying to get the help, but I thought specifically I would like it incorporated into a committee meeting record.

With that, I turn it back over to you.

TESTIMONY OF JERRY BOSTOCKY, VICE PRESIDENT, B.J. ALAN CO., YOUNGSTOWN, OH, ON BEHALF OF BRUCE J. ZOLDAN, PRESIDENT, B.J. ALAN CO., ACCOMPANIED BY RICHARD STREETER, ATTORNEY FOR B.J. ALAN CO.

The CHAIRMAN. Well I introduced Mr. Bostocky. And Mr. Zoldan is the third guy?

Mr. TRAFICANT. Yes, this is the attorney.

Mr. STREETER. Mr. Anderson, I am Richard Streeter and I have represented this company for the last three years in a battle with the ICC which you are going to get to hear about now.

The CHAIRMAN. Very good, thank you.

Mr. BOSTOCKY. Mr. Anderson, also, Mr. Zoldan is just recovering from a bad cold, so he has asked me to state our testimony for you today.

As you stated, I am Jerry Bostocky, Vice President of B.J. Alan Company located here in Youngstown, Ohio, and obviously I would like to take this opportunity to first thank you, Chairman Anderson, and your Committee and Congressman Traficant for giving us the opportunity to address your Committee this afternoon regarding a significant problem our company has been experiencing with the Interstate Commerce Commission.

I was pleased to hear you reiterate to Congressman Traficant that besides your career as a professional race car driver, that you also had time to become a successful businessman in that period of time. We too have been striving to achieve that title and up until 1987 felt that we were doing a pretty good job in getting there.

Unfortunately now, we are faced with a very, very serious problem which I have prepared a written statement for your review and would briefly like to just acquaint you with the highlights of that presentation.

Although our company is a small family-owned company, we are recognized throughout the United States as one of the largest distributors of common fireworks in the U.S. By definition, Mr. Chairman, the common fireworks have been found by the United States Consumer Products Safety Commission to be suitable for use by the public.

From our beginning in 1973, our company had sales of around $3,000 in revenue with one employee and we have steadily expanded our sales and our abilities and through 1987, we have grown to a gross revenue of $23 million and well over 400 employees. And that is all located right here in Youngstown, Ohio.

Since that time, our company has experienced a series of setbacks and they are directly attributed to the refusal of the Interstate Commerce Commission to perform the enforcement functions that were given it by the Interstate Commerce Act. As a result of the Commission's failure to act and to enforce the provisions of the Interstate Commerce Act which contain the common carrier obligation, B.J. Alan, in 1990 has total gross revenues of only $11 million and our employment figure has dropped to under 200 employees. As you can see, we have experienced a 52 percent decline in our gross revenues and an almost equal, 50 percent loss of jobs in our organization.

Our wholesale operations, which involve sales, as an example, to many of the large retail establishments throughout the United States, such as Hill's Department Stores and Phar-Mor, Circle K Corporation, Southland's 7-11, has dropped from $15.3 million in 1987 to slightly over $10 million in 1990.

Our mail order business has dropped from $8.6 million to only $1.6 million. This represents a horrendous 81 percent decline in a four year period.

The reason for this drop is simply explained. B.J. Alan, like every other company which is involved in the American fireworks industry, built its service around UPS, United Parcel Service. Nevertheless, effective on the first of January in 1988, UPS abruptly refused to transport small parcels of common fireworks. Although members of this Committee as well as members of the U.S. Senate urged the ICC to suspend UPS' tariff and require it to perform services for the members of the fireworks industry, the ICC, under former Chairman Graddison, turned a deaf ear to our concern and our problem.

After we filed a formal complaint, the Commission initially ruled in our favor. However, by the time they were able to rule, the 1988 season, which is obviously up to July 4th, was over and lost. More importantly, after a change in the Commission's membership, UPS persuaded the Chairman, Commissioner Andrea and the new Commissioner Karen Phillips, to reopen. Although they found that UPS was discriminating against us, the Commission ruled against us when they employed a novel interpretation of the common carrier obligation which gives common carriers the discretion to pick and choose whom they will serve.

As we have repeatedly argued with the ICC, their test is an abrupt departure from the Supreme County's consistent interpretation of the common carrier obligation. In the first place, UPS was making a profit from the transportation of our common fireworks. Second, it clearly had the facilities to hale our traffic and in fact, it handled over 40 percent of our wholesale shipments and well over 90 percent of our retail sales prior to 1988.

Moreover, in years gone by, UPS has even solicited common fireworks shippers to support their applications for operating authority from the ICC.

Nor is safety an issue, Mr. Chairman. UPS has never experienced a safety issue in the transportation of common fireworks. Moreover, it continues to transport all other Class C explosives as well as black powder and smokeless powder. Black powder is a Class A explosive and smokeless powder is a Class B explosive.

UPS' nationwide embargo disregards the fact that the great majority of towns and cities and communities throughout the United States permit their citizens to use and enjoy common fireworks, especially during the 4th of July. That is a custom which dates back to our founding fathers.

More important, the test which the ICC employed in permitting UPS to abandon its service to the American common fireworks industry is contrary to the legislative history of the Motor Carrier Act of 1980. In fact, the leaders of this Committee made several explicit statements during the course of debate that the 1980 Act keeps the common carrier obligation and does not eliminate or weaken the carriers' obligation to perform the service they are authorized to perform under their certificate.

Simply stated, we have been devastated by the ICC's ruling. Not only have we lost UPS, but now we find that other carriers are taking the position that if UPS does not have to carry common fireworks, neither do they. This is the case throughout the United States and as a result of the ICC's handling of this case, I am aware personally of many companies smaller than ours that are on the verge of bankruptcy because of this ruling.

As a matter of public policy, I cannot understand how the ICC can permit a monopoly carrier like UPS to avoid its common carrier obligation. I am advised by my counsel that the Commission has never before permitted a common carrier to refuse a reasonable request for service when it plainly has the capacity and facilities to handle the request for service. I have also been told that the Commission has previously taken firm action to stamp out discrimination.

I must now as you why has the ICC taken this position. Did Congress change the law? My counsel advises me that the 1980 Act did not change the provisions of the Act which incorporate the common carrier obligation. If that is so, I must repeat my previous question. Why has the Commission taken this position?

Second, I must ask this Committee what can be done to convince the Commission that it has erred? Simply stated, if the UPS decision is not reversed, many in the legitimate fireworks industry will be ruined.

Today you have heard from a number of witnesses concerning the depressed nature of our area in Youngstown. Jobs are not available. Yet our company, B.J. Alan, is willing to employ twice as many and more employees than we have right now if we have the sales to justify it. Without adequate transportation for our small parcels, however, we will not be able to do so.

And for that reason, I request you to do what you can to remind the Commission that its duty is to protect shippers and consumers and not monopolistic carriers whose annual revenues exceed $12 billion.

Thank you, Mr. Chairman.

[Prepared statement of Mr. Bostocky (Mr. Zoldan) appears on p. 649.]

The **Chairman**. Mr. Traficant, would you comment on it?

Mr. **Traficant**. Yes, I want to say that this company has a real problem, a problem that we in our Committee have jurisdiction over, a problem that should be able to be resolved by bringing all parties together. One of the problems is it is very difficult to do that when it all occurs down in Washington. I brought them here to get your attention.

I am going to ask unanimous consent that it be understood that our legal staff would meet with their legal staff and meet with ICC to in fact attempt to resolve such an issue and that it be understood further that our legal staff or respective committees, in working with theirs, would work toward such result. Failing that, a legislative action if necessary could be taken, but to try and mitigate this. I ask unanimous consent that such close cooperation between counsel be established.

The **Chairman**. No objection, so ordered.

Mr. **Traficant**. I would also like to ask, Mr. Chairman—I know it is a busy schedule on the way back, before they leave they exchange cards, Mr. Esposito and staff here, to begin to work this out. I think that their record and what they submitted clearly clarifies for the record, but I think that if we are having this problem, here is what it means to us.

This is one of the largest companies of this nature in the country. Much of their activities is sparklers. These Class C fireworks pose no problem. By the nature of the position which UPS has taken, it hurts their viability of an open free marketplace and poses financial hardship which is not necessary—in my opinion. I could be wrong, but in my opinion at this point, certainly not.

What this means is here is a company that is creating jobs in a valley that is destitute. They could perhaps even double. They are going to be put in jeopardy of maintaining what they have, going from the number one robust company in the industry, in the country, so one that is going to suffer and perhaps be lost to us as a provider of jobs. So that is how important it is. It is a fine company, they want and need some help and Congress is going to have to provide it because UPS, ICC seem to be playing hardball and a little bit unreasonable at this point.

The **Chairman**. Mr. Esposito is our top counsel and he will work with you on that.

Mr. **Streeter**. Thank you. Could I point out that on Thursday I believe there will be a bill, H.R. 3243, which will be pending before your committee. We have taken the position before the ICC that the recent Supreme Court decision in *Maislin* v. *Primary Steel*, makes it very clear that the Supreme Court has told the ICC, where we, the Supreme Court, have interpreted a section of the Interstate Commerce Act for over 100 years and where Congress has not acted to change it, that the ICC may not come along and initiate its own policy statement to evade the will of Congress. And if we could get a statement to that effect, that this Committee stands behind the broad holding of the Supreme Court in that respect and that it expects the ICC to follow the dictates of Congress and not attempt to go off on its own, I believe that the new Chairman down at the ICC would get the message.

The CHAIRMAN. The meeting you referred to is a meeting, not a hearing, it is not a markup.

Do you want to comment briefly?

Mr. TRAFICANT. Are you scheduled to testify at that hearing?

Mr. STREETER. We are not scheduled to testify. I do have a statement that I have prepared for Mr. Zoldan, which I will be more than happy to present to you at that hearing.

Mr. TRAFICANT. Let me say this, Mr. Chairman, being it is a hearing and what might ensue from there—you know, there are an awful lot of hearings and a lot of meetings—I think this, regardless of what might transpire in that process, they need some address at this particular point now. I think what they are talking about is good and we will look into those efforts for you, but I want to see the legal groups together with ICC to try and remedy the problem that they face now with ICC. I think that is first and primary and second of all, as an adjunct to that, the types of things that counsel Streeter has brought forward. And I think it would be wise for their counsel to talk specifically with Mr. Esposito subsequent to this hearing.

The CHAIRMAN. Fine.

Mr. TRAFICANT. They need help, and I feel very, very concerned that we just cannot touch the magic wand, but we should be able to help them. I think UPS taking that stand is hurting us. And ICC should be a little more understanding here of the process.

I have no questions, Mr. Chairman.

The CHAIRMAN. Okay, thank you very much for your presentation.

Our final witness is Jack O'Connell, President of the Plumbers and Steamfitters Local Union 87, President of the Greater Youngstown AFL-CIO, Secretary of the Western Reserve Building and Construction Trades Council. Did I do all right there?

TESTIMONY OF MARTIN J. O'CONNELL, PRESIDENT, GREATER YOUNGSTOWN AFL-CIO COUNCIL

Mr. O'CONNELL. That is fine, Mr. Chairman. In fact, sometimes I have to look at my cards to see exactly where I am at.

I am Jack O'Connell, I am here as President of the Greater Youngstown AFL-CIO. I have submitted a written statement to your committee; however, I would just like to touch base on a couple of things.

Earlier in the day you made a statement that communities that deserve help, some were old and some have developing problems. I would like to point out to you that we are both. We are a community that has lost a steel mill, we have picked ourselves up by our bootstraps and have moved forward into the point that we are developing, we are developing in the transportation, the warehousing industry and other small programs. But we do need help, we do need help with the transportation system.

You know, Mr. Chairman, we tore down the rusting steel mills, but we need new highways now in that particular area to help us redevelop that land. We faced the problem that we had, we moved with it. You will notice, if you get a chance to look at the written report I did submit to you, that most every project I listed; the 7-11 connector, Kings Grave Road, et cetera, are regional projects. They are projects that benefit more than one community.

I would like to say that we in this community sometimes are at fault, we are at fault for our own parochialism and we have to look at the point that what is good for Trumbull County is good for Mahoning County, what is good for the City of Youngstown is good for the City of Warren.

I, with other speakers, would like to say that revenue sharing did help, taking it away from us did hurt. Also UDAG grants hurt our development in this community. But I think one message I would like to put to this Committee on behalf of organized labor in this valley, we have come back on concessions, we have come back by our bootstraps, we have moved various ways. But we have also realized that regionalizing our systems as we in the labor movement have had to make concessions, we believe that many of these cities, counties, many of the communities in the 17th District, have to look at regionalization. If they look at it as a form of concession, so be it, but we would like to urge your Committee to give priority to those projects that benefit more than one community. In other words, we are talking about the east end project in the City of Youngstown that has a direct benefit to the cities of Struthers and Campbell.

We are talking about an antiquated water system owned by the City of Youngstown, the City of Niles, that is going to require $165 million in order to upgrade it, to put it back in working operation, and we would like to say to this Committee that if that is one of the projects that is under consideration, we would like to see a string put on it that would regionalize the system and stop the debacle we had a year or so ago here where we could not send water to a project because we had a water line that was a quarter mile short and nobody was willing to move out there and it would have created approximately 600 jobs. That project right now is on hold. We do have to regionalize it, we ask your help in regionalizing this and helping us in that area, Mr. Chairman.

And that is it, sir.

[Prepared statement of Mr. O'Connell appears on page 694.]

The CHAIRMAN. Questions or comments?

Mr. TRAFICANT. Yes, I want to say this. Jack O'Connell has become a leader of the labor movement in this valley, and let me say something, he used a couple of words like "concession", like labor had to take look in real terms at some of the problems, and he has made some decisions and did some things that not everybody in labor liked, but he did things that were always, without question, for the betterment of this valley.

He has brought forward specific projects—and you know, I have seen all these public officials come through and all of them I had to ask for specifics, and I think this is why Jack has made such progress and has helped so much. He has listed a number of things for this particular valley that are integral to economic development and joining us in with the rest of this great nation. We are right in the middle of it. I think he specifies them, he listed them out and he is constantly working to make sure that the community supports a regional approach—what is good for one community is good for another community. And we have to prioritize.

So I wanted to make sure that you know that. And Jack has worked very hard to make sure the Hubbard Expressway, the access ramps, the University at Youngstown is moved forward, and I just wanted, knowing full well he put these things on the record, that is about it.

He has done a great job. Our labor people have taken it on the chin and they are trying to work, they are trying to mitigate this and he is trying to work to mitigate some of the problems between labor and management, and he has done a good job, Chairman.

The CHAIRMAN. I have one question for Jack. Jack, what is the union view of the roles of the federal, state and local governments and what kind of roles do you envision for the private sector in what we have been talking about here?

Mr. O'CONNELL. I have got to say I guess I do not understand your question, Mr. Chairman.

The CHAIRMAN. All of us are aware that in certain areas things are slow, in some places they are worse and they have all kinds of problems because of many things we have heard here today. There is always a question of what can we do to correct it and obviously we can spend more money, only we have to raise the money. So the question—I just thought that some of you might have some idea of what you thought we might be doing in the areas that would be of benefit to this type of an area.

Mr. O'CONNELL. I think you have benefited us in this valley in the past. You know, for many years in this valley, we contributed more dollars to the tax structure than we ever got returned. In the past few years, the government has stepped in and helped us. But we in the labor movement are firm believers that we have to do it ourselves. We in the labor movement are firm believers that where we need federal dollars, we need them for the overall benefit of the total community, not for the benefit of this city, this city, in competing one against another.

I think if I would say, as a person out of the labor movement and a taxpayer in this valley, that if the federal government could do one thing, it would be to abrogate their position on tax abatement to make it damned illegal all over the United States and maybe let the free market take us where it is going. We have taken an awful beating, we politicians in this area, we have taken an awful beating. You know, with tax abatement, we say yes to General Motors, we are going to give you some help, but we beat our own little buy that is going to build a corner grocery store, we beat him right over the head. You know, we do it in organized labor too. We give a 90 percent rate to General Motors for maintenance and some poor guy down the road is going to build a little building and we say you have got to pay 100 percent.

I think the government can help this valley and probably this whole country in general if we look towards expenditures as regionalized and also if we could look to some way to say that tax abatement, even though it is the only game in town and we do have to play that ball game, is a lousy ball game, sir.

The CHAIRMAN. Thank you. Do you have any comments or questions?

Mr. TRAFICANT. No. The only thing is this, looking at the revenue situation, Jack, and the read-my-lips reversal—from just briefly here, and I do not support new taxes, not income taxes. There may be some things there that they may look at. Could you speculate as to certain areas where they may look toward some revenue changes, that labor is looking at?

Mr. O'CONNELL. No, sir. The thing that labor fears the most is the word that seems to round every corner in Washington, that the gentlemen in Congress and the President is taking a long hard look at possible taxation of our fringe benefits in the labor movement. And I am going to tell you what, if you ever want to see a public uprising, you are going to see that if the health and welfare costs are taxed, if the pension benefits are taxed. We in the private sector and those that represent the individual and the little man have gone a long way in developing a pension plan that a man can retire in dignity, and it has always been structured on the point that when he receives that pension, he should pay for it.

The health care costs are going totally out of sight. The labor movement, I would say to you that if taxation comes upon the labor movement in the field of health care, that most of the people in the labor field, especially those in multi-employer plants, are going to say to hell with hospitalization, give the money back to the employer, let the hospitals and doctors chase them and let it go from there and see what is going to happen.

We in the labor movement are looking again for one thing, we are looking for guidance, some type of national health care. And I would point out to you that the five largest strikes in the past three years in the United States; Pittston Coal, et cetera, Ohio Bell, right on down the line, were—carried health care as probably the major issue in that contract. Yes, we do need help from the federal government in the field of health care, no question about it.

Mr. TRAFICANT. Well our Committee is not dealing with the health care issue, Jack, but in dealing with infrastructure and certain related things, I just wanted to make sure we put on the record your position. You have been pretty much on target with this valley—thank you. And I think if the Congress knew of your contributions, the nation would be thanking you as well.

I have no questions, Chairman.

The CHAIRMAN. Thank you, Jim. Thank you very much.

Mr. O'CONNELL. Thank you, Chairman Anderson and Jim.

The CHAIRMAN. And Jim, I want to ask this, I have been told that there is some other testimony that will come into the record and I want to just ask unanimous consent that the hearing record be kept open for three weeks, through August 6, for all statements or additional information.

So without objection, that is so ordered. We will take care of that part of it.

Mr. **Traficant**. John Ramun, President, Allied Erecting and Dismantling, Mr. Chairman, I ask unanimous consent that we extend an opportunity to an individual who is not scheduled here to testify, give him an opportunity to make brief comments to the Committee.

The **Chairman**. Will he make it brief?

Mr. **Traficant**. Yes, sir, he will have to, we have to catch a plane.

The **Chairman**. John R. Ramun.

TESTIMONY OF JOHN R. RAMUN, PRESIDENT, ALLIED ERECTING AND DISMANTLING

Mr. **Ramun**. Mr. Chairman, Honorable Traficant, this will be brief. I came here because I am interested in Youngstown and I am a local business operator, I am President of Allied Erecting and Dismantling on Poland Avenue in the area where the connector for 680 and the Center Street bridge is to be located.

I just wanted to—I could make a long story short by reading something that was in the paper Sunday. It is by an Ed Yusetsco, who runs Truck World, one of the major truck stops in the country on Route 80. And he said that he can check the pulse of the country's economy by watching the loads that pull through Truck World.

"Over the last year to 18 months, we have been seeing stuff from the Pacific basin. They used to ship through the Panama Canal and into the ports of New York and Baltimore. Now they dump everything in California and truck it across this country."

Well if you do that, you have got to go through Youngstown. And that is why infrastructure is so important to Youngstown. The only problem is you cannot get into Youngstown. You can get through it, but you cannot get to it. It is quite amazing. We have an area where there are several thousand acres of property where the steel mills were located on. And we are kind of unique because the private industry that owned them just spent about $50 million to remove them, so it is vacant land ready to be developed. And we need a half a mile road from 680 to connect them. And we could get 10,000 jobs in that valley if we could get the ramp.

And my comments are short and sweet, but the guys that have to truck out of that area right now, spend 45 minutes getting to 680 and just an hour from there to Pittsburgh, an hour and 15 minutes to Cleveland. We could be on that road in three minutes. We could get the warehousing that people want to put in this area located in our area. They want to be there, they just cannot get there.

That is why we need the infrastructure, that is why we need these roads.

The **Chairman**. Mr. Traficant.

Mr. **Traficant**. Mr. Chairman, this is a good local businessman and he is very familiar with the plight of our community's jobs. The corridor he is talking about is that old steel mill property which I addressed myself to trying to get the startup for the ramp back to 680. I have known John, I know his brother Michael and their family, they are very good people, and he is exactly right.

I just more or less, rather than ask a question—I do not know if John was here in the beginning when I thanked the Chairman, but we were able to get—and the Chairman did help—the startup money for the study to do the building plans, engineering design and to purchase the property to start to move that ramp from 680 down toward Center Street bridge. That is already—the startup money has been appropriated in a fund and also with the Hubbard Expressway startup. So we are also going to try and see if we can get some federal help for the bridge itself and other connecting links down there, and see if we can get, through the Superfund program, a look at the environmental concerns, so we can make that land attractive and get something done with it.

So I just would like to say, with the help of this particular Chairman, the Hubbard Expressway, we started out talking about it in 1952. We started on the riverbend project, trying to get ramps about a year ago, and with his help the money has been made available to get that thing moving. So there has been some start there, John. It is not going to be easy and it is not a done deal, but I would like you to know that.

I appreciate you being here.

Mr. **Ramun**. My only one item I would like to add is if we had that ramp next year, within two years you would have at least 5,000 people down there.

Mr. **Traficant**. Well I do not really think we will have it in the next two years, but I would say this, in the next few years we will be pretty much assured as to what that program will be. They do not develop all that fast, John.

Mr. **Ramun**. I understand that. I just wanted to——

Mr. **Traficant**. Let me tell you, the 12-month time period so far has been like a miracle and you can thank this Chairman for it, believe me. Without this Chairman, it would not have happened—period.

I would just like the record to reflect that, and I agree with him, Mr. Chairman.

The **Chairman**. Thank you.

Does that just about conclude it?

Mr. **Traficant**. Chairman, with that, I do believe that the Committee is finished.

The **Chairman**. Well as we conclude this afternoon's hearing, let me first thank the staff of Congressman Traficant and the people of the 17th District for their hard work and their hospitality. Most importantly, however, I want to thank Congressman Traficant, his dedication and commitment to infrastructure as it affects his district and the Nation as a whole is second to none.

When we get back to Washington, I look forward to working with him on what can be done to rebuild America and help the 17th District. Thank you, Jim.

The Committee is now adjourned.

Mr. **Traficant**. Thank you, Chairman.

[Whereupon, at 5:46 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY OF

James W. Abicht, Executive Director
Van D. Nelson, Associate Director/Youth Programs

WARREN-TRUMBULL COMMUNITY SERVICE AGENCY

FOR:

THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Youngstown, Ohio

JULY 16, 1990

Warren-Trumbull Community Service Agency
418 South Main Avenue
Warren, Ohio 44481
(216) 393-2507
James W. Abicht, Executive Director

Prepared By:

David B. Shea
Deputy Director/Planner

TESTIMONY OF JAMES W. ABICHT AND VAN D. NELSON
WARREN-TRUMBULL COMMUNITY SERVICE AGENCY

Before the House Committee on Public Works and Transportation

July 16, 1990
Youngstown, Ohio

GOOD AFTERNOON. IT IS INDEED AN HONOR TO TESTIFY BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, AND I AM INDEBTED TO THE HONORABLE JAMES TRAFICANT OF THE SEVENTEENTH DISTRICT FOR GIVING US THIS OPPORTUNITY.

MY NAME IS JAMES ABICHT, AND I AM THE EXECUTIVE DIRECTOR OF THE WARREN-TRUMBULL COMMUNITY SERVICE AGENCY, A COMMUNITY ACTION AGENCY THAT PROVIDES A VARIETY OF SERVICES TO THE LOW-INCOME POPULATION OF TRUMBULL COUNTY. THE AGENCY WAS FORMED AS PART OF THE SO-CALLED "WAR ON POVERTY" OVER TWENTY-FIVE YEARS AGO, AND ALTHOUGH WE HAVE MADE A GREAT DEAL OF PROGRESS, THERE IS STILL MUCH WORK TO DO.

FOR MANY YEARS, THE TRUMBULL COUNTY AREA WAS CHARACTERIZED BY A STRONG INDUSTRIAL BASE, ESPECIALLY IN DURABLE GOODS MANUFACTURING, BUT SINCE THE MID-1970'S, WE HAVE LOST LITERALLY THOUSANDS OF JOBS AND MILLIONS OF DOLLARS IN TAX AND RELATED REVENUES. WITH THESE LOSSES, THE NEED FOR PUBLIC IMPROVEMENTS, SOCIAL SERVICES, EMPLOYMENT AND TRAINING, AND RELATED EFFORTS HAS RISEN DRAMATICALLY. IN 1973, THE YOUNGSTOWN-WARREN AREA EMPLOYED ROUGHLY 92,000 PERSONS IN DURABLE GOODS MANUFACTURING, OR NEARLY HALF OF THE TOTAL EMPLOYMENT IN THE AREA. BY 1986, ANNUAL EMPLOYMENT IN MANUFACTURING HAD DROPPED TO 51,000 TOTAL WORKERS, A LOSS OF 41,000 JOBS!! BY 1990, ALTHOUGH MANY OF THESE JOBS HAVE BEEN REPLACED, MUCH OF THE REPLACEMENT HAS OCCURRED IN LOWER-PAYING, SERVICE-RELATED JOBS, MANY OF WHICH LACK HEALTH CARE AND OTHER BENEFITS. OVER THE FIRST FIVE (5) MONTHS OF 1990, WHILE UNEMPLOYMENT NATIONALLY AS AVERAGED ROUGHLY 5.2%, UNEMPLOYMENT IN TRUMBULL COUNTY HAS AVERAGED 9.1%, AND IN MANY OF THE LOWER-INCOME COMMUNITIES--SUCH AS IN THE SOUTHWEST SIDE OF THE CITY OF WARREN, UNEMPLOYMENT HAS AVERAGED OVER 25%, AND UNEMPLOYMENT FOR SPECIFIC SEGMENTS OF THE POPULATION, SUCH AS YOUTH AND MINORITIES, HAS AVERAGED IN EXCESS OF 50%!!!

TODAY, ALTHOUGH WE AT WTCSA ARE BY NO MEANS EXPERTS, OUR INVOLVEMENT IN THE WAR ON POVERTY IN TRUMBULL COUNTY ALLOWS ME TO FEEL COMFORTABLE IN PROVIDING YOU WITH SOME INSIGHT INTO A FEW AREAS THAT WE FEEL ARE RELEVANT TO BOTH LOW-INCOME RESIDENTS OF OUR COUNTY, AS WELL AS MEMBERS OF THIS COMMITTEE. THE FIRST AREAS DEAL WITH TRANSPORTATION AND GENERAL HOUSING, AND THE LAST AREA REVOLVES AROUND THE OVERALL NEEDS OF ONE (1) PARTICULAR AREA OF THE CITY OF WARREN. I WOULD LIKE TO BRIEFLY DISCUSS THE FIRST AREA --TRANSPORTATION--AND THEN I WILL INTRODUCE MY COLLEAGUE AND WTCSA'S ASSOCIATE DIRECTOR--MR VAN NELSON--TO DISCUSS THE LAST TWO.

THE WARREN-TRUMBULL COMMUNITY SERVICE AGENCY HAS BEEN INVOLVED IN THE FIELD OF TRANSPORTATION SINCE THE MID-1970'S, AND TODAY OPERATES A FLEET OF 12 VEHICLES PROVIDING TRANSPORTATION SERVICES TO OVER 15,000 COUNTY RESIDENTS ANNUALLY. THE REASON WHY WTCSA--AS WELL AS OTHER SMALLER TRANSIT PROVIDERS HAS ENTERED THE TRANSPORTATION MARKET IS BECAUSE TRUMBULL COUNTY IS THE LARGEST COUNTY IN OHIO--AND THE CITY OF WARREN IS THE LARGEST CITY-- THAT TOTALLY LACKS A PUBLIC TRANSIT SYSTEM. THE POPULATION OF TRUMBULL COUNTY TODAY IS ROUGHLY 250,000 PERSONS, AND THE POPULATION OF THE CITY OF WARREN IS AROUND 55,000. TRUMBULL COUNTY IS THE 2ND LARGEST COUNTY IN THE STATE IN TOTAL AREA, AND ENCOMPASSES 625 SQUARE MILES. THE TOTAL LACK OF A PUBLICALLY-FUNDED TRANSIT SYSTEM IN OUR COUNTY IS--IN OUR OPINION--AN ABERRATION THAT FREQUENTLY COMPOUNDS ALREADY SEVERE PROBLEMS IN JOB OPPORTUNITIES, AND ACCESS TO SERVICES, AND IS A PROBLEM THAT IS MOST DRAMATICALLY FELT BY OUR LOW-INCOME RESIDENTS. ACCORDING TO THE US CENSUS, TODAY THERE ARE ROUGHLY 35,000 TRUMBULL COUNTY RESIDENTS BELOW POVERTY, AND NEARLY 40% RESIDE IN THE CITY OF WARREN. IN 1988, WTCSA ESTIMATED THAT IN THE CITY OF WARREN ALONE, NEARLY 8,000 PEOPLE WERE IN NEED OF TRANSPORTATION SERVICES, WITH NEARLY HALF OF THAT TOTAL ENCOMPASSING LOW-INCOME RESIDENTS.

IN RESPONSE TO THAT DIRE NEED, WE CREATED THE COMMUNITY ACTION TRANSPORTATION SYSTEM--OR CATS--A FIXED ROUTE PUBLIC TRANSIT SERVICE THAT PROVIDES TRANSIT ACCESS TO 98% OF THE POPULATION OF WARREN, AND 99% OF ITS LOW-INCOME RESIDENTS. SINCE 1988-1989, CATS HAS PROVIDED TRANSPORTATION SERVICES TO 12,424 PERSONS, AND THROUGH THE GENEROSITY OF THE CITY OF WARREN, HAS RECEIVED FUNDING TOTALLING $30,000 TO OFFSET THE COSTS OF OPERATIONS. YET, SINCE CATS COSTS APPROXIMATELY $75,000 TO OPERATE PER YEAR, WE ARE LOSING MONEY, BUT AT LEAST WE ARE PROVIDING A VITAL SERVICE TO THE CITY. IN THE PAST, THERE HAVE BEEN MANY ATTEMPTS TO EXPAND MAHONING COUNTY'S PUBLIC TRANSIT SERVICES INTO THE AREA THROUGH WRTA, BUT FOR A VARIETY OF FACTORS--INCLUDING THE HIGH RATES OF UNEMPLOYMENT AND THE POOR ECONOMIC CONDITIONS OF THE COUNTY--VOTERS HAVE CONSISTENTLY DEFEATED LEVIES AIMED AT ESTABLISHING SUCH SERVICES, PRIMARILY BECAUSE THE REVENUES NEEDED FOR SUCH AN EXPANSION MUST GENERALLY COME--HISTORICALLY--FROM INCREASES IN TAXES. WITH THE SIGNIFICANT CUTS IN MANY FEDERAL PROGRAMS, COMMUNITIES LIKE WARREN HAVE LOST LITERALLY MILLIONS OF DOLLARS IN FEDERAL AND STATE ASSISTANCE, AND HAVE HAD TO INCREASE USER FEES AND OTHER TAXES IN ORDER TO OFFSET FEDERAL AND STATE INCOME LOSSES. CLEARLY, SUCH LOSSES, AND THE LACK OF PUBLIC TRANSIT, CREATE EXTREME BARRIERS TO OVERCOMING THE "PARADOX OF POVERTY", BARRIERS WHICH MOST OF US SIMPLY DO NOT UNDERSTAND. IN THE ABSENCE OF FUNDING FOR TRANSPORTATION PROJECTS THAT ARE TRULY GRASS-ROOTS IN ORIGIN AND THAT PROVIDE CLEAR AND DOCUMENTED SERVICES TO NEEDY RESIDENTS, THE "WAR ON POVERTY" CAN NEVER BE TRULY OVER, AND AS WE ENTER THE 1990'S, THE NEED FOR INNOVATIVE AND CREATIVE PROGRAMS LIKE CATS--IN TRUMBULL COUNTY AND ACROSS AMERICA, IS AS GREAT AS EVER.

AGAIN, I AM GRATEFUL TO THE HONORABLE JAMES TRAFICANT FOR GIVING ME THIS OPPORTUNITY, AND NOW I'D LIKE TO INTRODUCE TO YOU MY COLLEAGUE AND THE ASSOCIATE DIRECTOR OF WTCSA--MR VAN NELSON.

THANK YOU MR. ABICHT, AND I WOULD ALSO LIKE TO THANK CONGRESSMAN TRAFICANT AND THE COMMITTEE FOR ALLOWING US TO TESTIFY TODAY. AS MR. ABICHT STATED EARLIER, THERE ARE MANY BARRIERS TO OVERCOMING POVERTY--LIKE THE ABSENCE OF PUBLIC TRANSIT ACCESS--WITHIN THE COUNTY OF TRUMBULL AND THE CITY OF WARREN. IN ADDITION TO TRANSPORTATION, ONE OF THE MOST PRESSING PROBLEMS WITHIN THE COUNTY--AND ESPECIALLY IN THE CITY OF WARREN--IS THE LACK OF SUFFICIENT, ADEQUATE, AND AFFORDABLE HOUSING FOR MANY RESIDENTS, A PROBLEM WHICH IS MAGNIFIED FOR OUR CITY'S LOW-INCOME RESIDENTS.

ACCORDING TO THE 1980 CENSUS, THERE ARE ROUGHLY 84,000 HOUSING UNITS WITHIN TRUMBULL COUNTY, WITH 22,354 IN THE CITY OF WARREN. BASED ON CURRENT HOUSING DATA FROM THE LOCAL METROPOLITAN HOUSING AUTHORITY, THERE ARE 21 PUBLIC HOUSING PROJECTS WITHIN THE COUNTY, AND ASSISTANCE IS PROVIDED TO APPROXIMATELY 2,700 TOTAL FAMILIES, ENCOMPASSING NEARLY 9,000 TOTAL PERSONS. YET, BASED AGAIN ON CENSUS DATA, OVER 12,000 FAMILIES--35,000 PERSONS--ARE ELIGIBLE FOR SUBSIDIZED HOUSING COUNTY-WIDE, WITH NEARLY 5,000 PERSONS RESIDING IN WARREN ALONE. ACCORDINGLY, LESS THAN 20% OF THOSE PERSONS WHO ARE ELIGIBLE FOR SUBISIDIZED HOUSING ACTUALLY RECEIVE IT, LEAVING ROUGHLY 9,000 LOW-INCOME FAMILIES UNABLE TO RECEIVE ANY TYPE OF HOUSING ASSISTANCE. UNFORTUNATELY, MANY OF THESE PERSONS RESIDE IN THE CITY OF WARREN, AND AN UNUSUALLY HIGH PROPORTION TEND TO BE BLACK AND RESIDING IN THE SOUTHWEST/SOUTHEAST SECTION OF WARREN CALLED "THE SIXTH WARD".

GIVEN THE ALARMINGLY HIGH LEVEL OF FAMILIES WHO ARE ELIGIBLE BUT DO NOT RECEIVE SUBSIDIZED HOUSING WITHIN THE COUNTY, IT IS NOT SURPRISING THEN THAT MANY OF THESE FAMILIES ARE CONFRONTED WITH OTHER BARRIERS WHICH EFFECTIVELY PROHIBIT THEIR OWN SELF-SUFFICIENCY. CLEARLY, IF ALL OF YOUR INCOME MUST GO TOWARDS PROVIDING A ROOF OVER THE HEADS OF YOUR CHILDREN, YOU CANNOT AFFORD CONTINUING YOUR EDUCATION, BUYING FOOD, OBTAINING TRANSPORTATION SO THAT YOU CAN GO TO WORK, GETTING GOOD MEDICAL CARE, AND EVEN PAYING YOUR

UTILITIES. WTCSA CAN PROVIDE LIMITED AMOUNTS OF ASSISTANCE TO HELP WITH SOME OF THESE PROBLEMS OR BARRIERS, BUT THEY ARE FREQUENTLY ONLY TEMPORARY SOLUTIONS OR BAND-AIDS TO THE REAL PROBLEMS.

OVER THE PAST TWO (2) YEARS, ANOTHER--AND POTENTIALLY MORE SERIOUS PROBLEM HAS ARISEN IN THE "SIXTH WARD" WHICH ONLY COMPOUNDS ALREADY SEVERE HOUSING AND ECONOMIC PROBLEMS: THE FRANCHISING OF YOUTH/DRUG GANGS INTO MANY PUBLIC HOUSING UNITS. THE GANG PROBLEM HAS BEEN WELL DOCUMENTED IN MANY LARGER METROPOLITAN AREAS ACROSS THE COUNTRY, BUT I AM HERE TO TELL YOU NOW THAT WELL ORGANIZED GANGS ARE HERE--IN YOUNGSTOWN AND IN WARREN. THEY COME FROM DETROIT, OR L.A., AND EVEN FROM JAMAICA, AND THEY ARE HERE. IN ONE HOUSING PROJECT ALONE IN WARREN, THE VACANCY RATES HAVE BEEN ESTIMATED TO APPROACH 40% TO 50%. PEOPLE ARE AFRAID TO LIVE THERE BECAUSE OF THE PRESENCE OF GANGS. GIVEN THE ALREADY SEVERE SHORTAGE OF PUBLIC HOUSING IN OUR AREA, THE PROBLEM ONLY BECOMES WORSE, BECAUSE THE PEOPLE WHO ARE MOST AT RISK FOR BECOMING HOMELESS ARE LOW-INCOME, AND MANY ARE CHILDREN. IN 1990, WE AT WTCSA ESTIMATED THAT AT LEAST 25% OF ALL LOW-INCOME FAMILIES WHO DO NOT RECEIVE HOUSING ASSISTANCE OR SUBSIDIES ARE SEVERELY AT-RISK FOR BECOMING HOMELESS, OR OVER 3,400 PEOPLE IN THE CITY OF WARREN ALONE. THIS IS ANOTHER PROBLEM THAT HAS BEEN WELL DOCUMENTED IN LARGER CITIES ACROSS THE COUNTRY, AND IT IS ANOTHER PROBLEM THAT IS HERE, IN THE WARREN-YOUNGSTOWN AREA.

FINALLY, I WOULD LIKE TO TAKE A MOMENT TO DISCUSS ONE PARTICULAR AREA OF THE CITY OF WARREN THAT I MENTIONED EARLIER--THE SOUTHEAST/SOUTHWEST SECTION OF THE CITY CALLED THE "SIXTH WARD". IN 1986, WTCSA PRESENTED A STUDY OF THE SIXTH WARD TO LOCAL OFFICIALS, AND I HAVE INCLUDED A COPY OF IT TO BE INCLUDED IN THE RECORD. RATHER THAN REVIEW THE ENTIRE STUDY, I WOULD LIKE TO TAKE A MOMENT TO HIT THE HIGHLIGHTS.

THE SIXTH WARD CONSISTS OF 3 BASIC CENSUS TRACTS, AND HAS A POPULATION OF ROUGHLY 6,000 PERSONS. OVER 80% OF ALL PERSONS RESIDING THERE ARE BLACK, AND OVER HALF OF THOSE PERSONS ARE CHILDREN. THERE ARE FOUR (4) MAJOR PUBLIC HOUSING PROJECTS IN THE WARD--OUT OF 21 IN THE ENTIRE COUNTY--AND NEARLY 60% OF ALL THE RESIDENTS ARE BELOW POVERTY. NEARLY 40% OF ALL THE HOUSEHOLDS WITHIN THE WARD ARE HEADED BY A FEMALE, AND THE UNEMPLOYMENT RATE WITHIN THE WARD IS AT LEAST DOUBLE THE CITY'S RATE.

ALL OF THE SO-CALLED BARRIERS OR PROBLEMS THAT WE HAVE DISCUSSED HERE TODAY ARE CLEARLY EVIDENT--AND IN FACT MAGNIFIED--IN THE SIXTH WARD. IN ONE MAJOR HOUSING PROJECT IN THE WARD--WHICH HAS 200 UNITS--NEARLY HALF ARE VACANT AND BOARDED UP, DUE--AT LEAST IN PART--TO THE PRESENCE OF ORGANIZED GANGS AND RAMPANT DRUG PROBLEMS. LAW ENFORCEMENT CAN ONLY ACCOMPLISH SO MUCH THERE, BECAUSE THE ECONOMIC REALITIES OF POVERTY ACTUALLY ENCOURAGE SUCH ILLICIT ACTIVITIES. THE WARD HAS THE LOWEST PER CAPITA INCOME IN THE CITY, THE HIGHEST UNEMPLOYMENT RATE, AND THE HIGHEST POVERTY RATE. NEARLY 50% OF ALL SINGLE FAMILY DWELLINGS IN THE WARD ARE RENTALS, THE MEDIAN VALUE OF THE WARD'S HOUSING STOCK IS LESS THAN 60% OF THE CITY AVERAGE, AND NEARLY ONE-FOURTH OF ALL VACANT AND/OR DILAPIDATED DWELLINGS IN WARREN HAPPEN TO BE IN THE SIXTH WARD. YET, DESPITE THE HARSHNESS OF THIS DATA, THE WARD ALSO HAS ONE OF HIGHEST PER CAPITA EDUCATIONAL LEVELS OF ANY AREA IN THE CITY, AND THE NUMBER OF INDIVIDUALS WHO HAVE ATTENDED OR GRADUATED FROM COLLEGE IS DOUBLE THE CITY-WIDE AVERAGE.

POVERTY IS AN INSIDIOUS DISEASE THAT DOES NOT DISCRIMINATE ON THE BASIS OF RACE, RELIGION, SEX, HANDICAP, OR EDUCATIONAL LEVEL, AND ONCE THE DISEASE IS MANIFEST, IT IS NOT EASILY ERADICATED. THE LACK OF SUBSIDIZED HOUSING, A DETERIORATING HOUSING STOCK, AND THE LACK OF SERIOUS HOME-OWNERSHIP INVESTMENT--IN AREAS LIKE THE SIXTH WARD--HAS CREATED AN UNTENABLE AND UNMANAGEABLE SITUATION. THE ENTRANCE OF FRANCHISED GANGS--AND THE HIGH

INCIDENCE OF DRUG USE AND SALES--HAS COMPOUNDED THESE PROBLEMS. THE POVERTY IN THE SIXTH WARD--AND IN FACT THROUGHOUT THE CITY OF WARREN AND THE COUNTY OF TRUMBULL--IS VERY REAL. THE PARADOX OF POVERTY IS THAT POVERTY EVEN EXISTS, IN THIS, THE RICHEST AND MOST POWERFUL NATION ON EARTH. THE PARADOX IS EVEN MORE DIFFICULT TO UNDERSTAND BECAUSE WE KNOW THAT THE TOOLS AND STRATEGIES TO ERADICATE IT ARE PRESENT IN OUR SOCIETY. THESE SOLUTIONS ARE NEITHER EASY NOR INEXPENSIVE, BUT IN MY OPINION, INFRASTRUCTURAL IMPROVEMENTS THAT MAY REMOVE BARRIERS LIKE TRANSPORTATION, EMPLOYMENT, EDUCATION, AND HOUSING, MUST BE THE FIRST STEP.

THANK YOU.

WRITTEN BY:

DAVID B. SHEA
DEPUTY DIRECTOR/PLANNER

WARREN-TRUMBULL
COMMUNITY SERVICE AGENCY

8

DEMOGRAPHIC AND SOCIO-ECONOMIC ANALYSIS

of

WARD 6

CITY OF WARREN, OHIO

December 31, 1986
June 30, 1990

WARREN-TRUMBULL COMMUNITY SERVICE AGENCY
418 South Main Avenue
Warren, Ohio 44481
(216) 393-2507

James W. Abicht, Executive Director
David B. Shea, Deputy Director/Planner

SUMMARY AND METHODOLOGIES

The purpose of this analysis is to provide a useful data base for local officials of the City of Warren in order to ultimately generate an assessment of local conditions and needs. This analysis is limited to the geographic area of the City of Warren which comprises Ward 6. Located in the southwestern section of Warren City, Ward 6 is comprised of Census Tract areas 9205, 9206, and part of 9207. However, due to the inability to "break-up" census areas, only data from 9205 and 9206 are included in this analysis. The key indicators of this analysis include population, race and sex, poverty and income, age, education, employment and employment type, and housing. All information contained within this analysis has been obtained from the 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census. For purposes of comparison, data compiled for the 6th Ward of the City have been compared to City-wide data for comparable characteristics.

GEOGRAPHY AND VOTER REGISTRATION

The 6th Ward of the City of Ward (the City is comprised of eight (8) wards) consists of ten (10) politically subdivided precincts located in the southwestern section of the City of Warren. As stated above, the ward is comprised of slightly more than two (2) census tracts. Approximately 5% of the total area of the ward is contained in tract 9207, with 95% contained within 9205 and 9206. The 6th Ward is roughly bounded by Market Street in north, Sixth Street in the south, Niles Road in the east, and Tod Avenue & Palmyra Road in the west. The 6th Ward also border some relatively unpopulated areas outside the City of Warren in the south-east and southwest, areas which are part of Howland, Warren, and/or Weathersfield Townships respectively.

According to the Trumbull County Board of Elections, the 6th Ward is comprised of roughly 3,676 registered voters, out of an approximate eligible population of 3,906. Thus, roughly 94.1% of all eligible voter living in the 6th Ward appear to be registered to vote. 52.9% of all registered voters are Democrats, totalling 1,945 persons, while 56 person or 1.5%, are registered Republicans. 45.6% of all persons living in the 6th Ward--or 1,675 persons--are registered as Independents.

OPULATION

FACTOR	WARD 6 TOTALS		WARREN CITY TOTALS		WARD 6/WARREN
	TOTALS	%	TOTALS	%	%
WHITE	1,167	18.9%	45,937	81.1%	2.5%
BLACK	4,970	80.4%	10,266	18.1%	48.4%
AMER. IND.	7	0.1%	54	0.1%	13.0%
ASIAN/P.I.	12	0.2%	180	0.3%	6.7%
OTHER	27	0.4%	192	0.4%	14.1%
TOTALS	6,183	100.0%	56,629	100.0%	10.9%

Summary: The 6th Ward has an approximate total population (1980) of 6,183 persons, or roughly 10.9% of the total population of the City of Warren. Of the total population of the Ward, 80.4% are black, while 18.9% are white. The total black population of the Ward--totalling 4,970 persons--is equal to nearly half of the total black population of the City of Warren as a whole (48.4%)

Key Indicators: Over eight (8) out of every ten (10) persons in Ward 6 are black; nearly ½ (48.4%) of all black residents of the City of Warren live in the 6th Ward.

AGE

FACTOR OR CHARACTERISTIC	WARD 6 TOTALS		WARREN CITY TOTALS		WARD 6/WARREN
	TOTALS	%	TOTALS	%	%
0 - 5 YRS OLD	603	9.8%	4,131	7.3%	14.6%
5 - 19 YRS OLD	1,957	31.7%	13,612	24.0%	14.4%
20 - 54 YRS OLD	2,512	40.6%	24,966	44.1%	10.1%
55 & OLDER	1,111	17.9%	13,920	24.6%	8.0%

Summary: Nearly one-half of all individuals who live in the 6th Ward are below the age of nineteen (19) years old, and nearly 60% of all residents are either below 19 or older than 55 years old. In short, the 6th Ward is comprised of either very young, or elderly residents.

Key Indicators: Nearly 15% of all city children below the age of 5 years old reside in the 6th Ward.

ITY

FACTOR OR CHARACTERISTIC	WARD 6 TOTALS		WARREN CITY TOTALS		WARD 6/WARREN
	TOTALS	%	TOTALS	%	%
IND. BELOW 125%	2,840	45.9%	10,420	15.4%	27.3%
IND. BELOW 150%	3,091	50.0%	12,665	22.4%	24.4%
PER CAPITA INCOM	$ 4,680	.....	$ 7,166	.....	65.3%
MEAN INCOME	$14,460	.....	$19,133	.....	75.6%
TOTAL HOUSEHOLDS	2,003	.....	21,027	.....	9.5%
HH W/SOCIAL SECUR	521	26.0%	6,101	29.4%	8.4%
AVE.ANNUAL $ (SS)	$ 3,843	.....	$ 4,232	.....	90.8%
HH W/WELFARE	620	31.0%	2,370	11.3%	26.9%
AVE.ANNUAL $	$ 2,048	.....	$ 2,843	.....	143.2%
FEMALE HEADS/HH	661	33.0%	2,804	13.3%	23.6%

Summary: Based on 1980 Census data, the 6th Ward consists of the two (2) highest poverty populations not only in the City of Warren, but in the entire county. Nearly ½ of all residents of the ward (45.9%) are below 125% of poverty; exactly 50% (3,091 residents) are below 150% of poverty, and thus are eligible for most anti-poverty services of WTCSA.

Key Indicators: NearLy 28% of the poverty population of the City of Warren reside in the 6th Ward, despite the fact that the Ward encompasses only 10.9% of the city's population. The per capita income in the ward is 65% of the city-wide average. Nearly 60% of all households in 6th Ward are receiving some type of governmental assistance, including either social security or welfare. In fact, nearly 27% of all families who receive welfare assistance within the City of Warren reside in the 6th Ward. Households who are headed by females (no male present) comprise 33% (1/3) of all 6th Ward households.

EDUCATION

FACTOR OR CHARACTERISTIC	WARD 6 TOTALS		WARREN CITY TOTALS		WARD 6/WARREN
	TOTALS	%	TOTALS	%	%
PERSONS 25 & OLDER	3,094	50.0%	33,682	50.5%	9.2%
0 - 8 YRS	803	25.9%	5,367	15.9%	15.0%
HIGH SCHOOL GRAD	1,408	45.4%	21,768	64.6%	6.5%
SOME COLLEGE	313	10.1%	1,858	5.5%	16.8%
NON-HI SCHOOL GRAD	1,896	61.3%	11,927	35.4%	15.4%

Summary: Over ½ of all ward residents over the age of twenty-five (25) do not possess a high school diploma, and nearly 1/3 possess less than nine (9) years of formal education.

Key Indicators: Despite the rather high levels of lack of formal educatio within the 6th Ward, oven 10% of all ward residents have attended or grad ated from college. This statistic is nearly double the City-wide rate, which indicates that on the average, roughly 5.5% of all Warren residents have attended or graduated from college.

EMPLOYMENT/EMPLOYMENT TYPE

FACTOR OR CHARACTERISTIC	WARD 6 TOTALS	TOTALS %	WARREN CITY TOTALS TOTALS	%	WARD 6/WARREN %
ELIG. LABOR FORCE	4,194	67.0%	42,916	75.0%	9.8%
ACTUAL LABOR FORCE	2,241	53.4%	24,735	57.6%	9.1%
EMPLOYED	1,666	74.3%	21,682	87.7%	7.7%
MANAGEMENT/PROF.	148	8.9%	3,699	17.1%	4.0%
SALES	199	11.9%	5,151	23.8%	3.9%
SERVICE	343	20.6%	3,328	15.4%	10.3%
REPAIR	119	7.1%	2,209	10.2%	5.2%
LABORER	846	50.8%	7,096	32.7%	11.9%
FARMING/FISHING	11	0.7%	119	0.5%	9.2%
NOT IN LABOR FORCE	1,953	46.6%	18,178	42.3%	10.7%
UNEMPLOYED	575	25.6%	3,053	12.3%	18.8%
UNEMPLOYMENT RATE	25.6%	-----	12.3%	-----	208.1%

Summary: There are roughly 4,194 persons in the 6th Ward who are eligible and "able" to work (age 16 and older), but only 2,241 actively participate in the labor force (53.4%). Thus, nearly ½ of all labor-force eligible residents choose to work, which may be indicative of a severe problem in the ward, such as "discourgage worker" syndrome. Similarly, the unemployment rate for Ward residents approximates 25.6%, which is roughly double the City-wide rate.

Key Indicators: As stated above, the high rates of non-participation in the labor force may be indicative of more serious, structural problems in the local labor market. Similarly, of those persons who do participate in the labor force in the ward, over half (50.8%) are employed in a labor-intensive industry, thus extremely vulnerable to cyclical economic changes Only 9% of all ward residents are employed in a management or professional environment or skill, as compared to 17.1% city-wide.

HOUSING

FACTOR OR CHARACTERISTIC	WARD 6 TOTALS	TOTALS %	WARREN CITY TOTALS	TOTALS %	WARD 6/WARREN %
TOTAL DWELLINGS	2,133	-----	22,354	-----	9.5%
OWNER-OCCUPIED	956	44.8%	12,992	58.1%	7.4%
RENTALS	1,021	47.9%	8,076	36.1%	12.6%
VACANCIES	156	7.3%	1,286	5.8%	12.1%
MEDIAN VALUE	$ 24,656	-----	$35,400	-----	69.7%

Summary: Despite having 9.5% of all dwellings within the city in the ward, the ward comprises nearly 13% of all rented dwellings in the city. This may be indicative of problems in the areas of development and investment in ward property and homes (absentee landlords).

Key Indicators: The Ward possesses the highest vacancy rate for dwellings within the City of Warren, and over 7% of all dwellings are vacant. As stated above, this could be indicative of a more serious "disinvestment" problem. Similarly, the median value of ward dwellings is about 70% of th city average.

Conclusions

Although it is extremely difficult to accurately analyze a specific segment of the population, with the assistance of 1980 Census data, voter information, and other available information, it is possible to create generalizations as to the nature of the population.

Based on the above sources, the "typical" resident of the 6th Ward of the City of Warren is probably black and female, and between the ages of 19 and 30 years of age. She is probably employed in a sales, clerical, or labor-related position, is unmarried or divorced, and has at least one (1) small child. She is also a high school graduate, and may have attended college, although she may not have a college degree.

In comparison to the City of Warren as a whole, Ward 6 is poorer, has a higher incidence of unemployment, has an older and less valuable housing stock, and has a higher percentage of youth and senior citizens than the City.

PRESENTED BY JERRY BOSTOCKY

STATEMENT OF BRUCE J. ZOLDAN
PRESIDENT, B. J. ALAN COMPANY, INC.
PRESENTED TO THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
OF THE HOUSE OF REPRESENTATIVES OF THE
CONGRESS OF THE UNITED STATES OF AMERICA
AT A PUBLIC HEARING HELD AT YOUNGSTOWN, OHIO
ON JULY 16, 1990

I wish to welcome Chairman Anderson and members of the Committee on Public Works and Transportation to Youngstown, Ohio and to thank Congressman Traficant for providing me with the opportunity to address this Committee.

My name is Bruce Zoldan and I am the President of B. J. Alan Company, Inc. ("B.J. Alan"), a small family business, which is headquarted here in Youngstown, Ohio. B.J. Alan is one of the nation's largest distributors of common fireworks. Its wholly-owned subsidiary, Diamond Sparkler Company ("Diamond"), is one of three remaining manufacturers of wire sparklers in the United States.

I became involved in the common fireworks industry in 1973 while I was in college. In my first year in the business, I realized sales of $3,000. From that point on, B.J. Alan experienced a steady growth in its sales until 1987, when it had overall sales from wholesale and retail operations of nearly $23 million. In 1987, B.J. Alan employed over 400 individuals in its Youngstown operations. During the height of the fireworks season, we even ran two full shifts to meet the demands of consumers who wished to purchase common fireworks for the Fourth of July.

In stark contrast to the above, in 1990, because B.J. Alan was unable to obtain reasonable, adequate transportation of its small parcels of common fireworks, its gross revenues fell to a little over $11 million and employed only 128 individuals. This drastic decline of $12 million in annual sales from 1987 to 1990 can only be attributed to the refusal of the Interstate Commerce Commission to enforce the provisions of the Interstate Commerce Act which require common carriers to provide service upon reasonable request, without discrimination. Instead, the Commission has turned its back on the American fireworks industry and relegated it to carriers whose rates effectively embargo the movement of small parcels of common fireworks.

B.J. Alan is engaged in both the wholesale and retail distribution of common fireworks. Thus we sell to retail establishments such as Hills Department Stores, Phar-Mor, Fishers Big Wheel, General Merchandise Services, Food Marketing, Hart/Big Bear, Holland Oil, Jaydon, Cotter & Company, Circle K, Southland Corporation (7-11 Stores), E. Z. Gregory, Associated Grocers, Assoicated Foods, Super Value, Louisville Toyhouse, K&I Toyhouse and others. In addition, we have a mail order catalogue which is directed to individual consumers.

While we have some shipments of large quantities to our wholesale accounts, the overwhelming majority of our shipments weigh less than 70 pounds. Because of the weight of our average shipment, we have always found that most common carriers are not interested in our shipments. While they will gladly take the large shipments that weigh in excess of 200 pounds, there was only one carrier that handled small parcels at reasonable rates, namely United Parcel Service ("UPS"). As a result, B.J. Alan effectively built its entire operation around UPS and depended heavily on it for the transportation of small parcels of common fireworks.

B.J. Alan has made major capital investments based on its reliance on UPS and projections of increased sales. The following briefly describes some of the expenditures and investments that were based on the continuing availability of UPS. Indeed, the physical plant and equipment for B.J. Alan's distribution business have been custom designed to mesh with UPS' service: (1) approximately $250,000 for a computer system that was custom-designed for the UPS computer shipping program; (2) approximately $17,000 for a Pitney-Bowes shipping computer which has the UPS manifest system installed in its software and was intended for UPS shipments; (3) a $64,000 telephone system installed to handle customer orders for UPS shipments; (4) $30,000 for a system of metal racks designed for handling UPS shipments; and (5) $300,000 for an enpanded loading dock.

In addition to these capital expenditures, B.J. Alan had over $4,000,000 in expenditures for the 1988 July Fourth fireworks season, including: $100,000 in advertising featuring UPS delivery service; $200,000 in catalogues; $30,000 in UPS shipping boxes; $6,000 in UPS labels and paper supplies; and approximately $4,000,000 in inventory.

Our projections, however, were not met. In November 1987, UPS published a tariff at the Interstate Commmerce Commission ("ICC") in which it announced that it would no longer transport common fireworks. It continues, however, to transport all other categories of Class C explosives, as well as black powder and smokeless powder. The latter commodities are classified generally as Class A and Class B explosives. UPS transports them as "flammable solids" under an exemption granted by DOT.

Even though various Members of Congress joined with the fireworks industry in voicing concerns with the discriminatory treatment afforded common fireworks, by a two-two vote, with one Commissioner abstaining, the ICC refused to suspend UPS' new tariff. As a result, B.J. Alan was forced to attempt to find other carriers. The search for a replacement for UPS, which is now in its third season, has consumed a tremendous amount of time, energy and resources. As of this date, no adequate replacement has been found.

UPS' withdrawal of its services has nearly destroyed the mail order portion of our business in its entirety. Our mail order business dropped from $8,568,859 in 1987 to $4,471,250 in 1988. Although the ICC required UPS temporarily to reinstitute service in 1989, our business failed to recover fully and mail order sales totalled only $3,493,620. In 1990, following UPS' renewed embargo of common fireworks, B.J. Alan's mail order business dropped to $1,605,050 in sales.

The decline in business can also be measured in terms of shipments. In 1987, B.J. Alan had 53,850 shipments. In 1988, this number decreased to 22,700 shipments. While the number of shipments decreased slightly to 18,265 in 1989, in 1990, we had only 7,786 shipments.

The loss of UPS' service also had a devastating impact on our wholesale business. In 1987, B.J. Alan enjoyed gross revenues of $15.3 in its wholesale business. In 1988, this fell to $14.3. Because of the problems encountered in 1988, the following season continued to experience difficulties as sales in this side of our business fell to $11.1 million. In 1990, we anticipate that wholesale revenues will be slightly in excess of $10 million.

In the past, UPS has handled about forty per percent of our wholesale business. This included most of B.J. Alan's sales to small retail establishments. In addition, UPS was used nearly exclusively to handle samll parcels of common fireworks destined to merchants who had run out of a particular firework.

In all instances, the contracts with the retail outlets are based on a guaranteed sales program. This means that B.J. Alan agrees to ship specific products according to state laws to each store that is signed up for the program. This is called a direct store delivery program. Product is placed in the store starting in May and any product that is left over following the

4th of July is returned to B.J. Alan. Thus the retail outlet pays only for the product it sells. B.J. Alan is responsible for all freight charges for all shipments to and from the stores. Also during the selling period, namely May through July, the stores often request additional shipments to replenish the items which have been sold. This is the restocking program. These orders were traditionally shipped via UPS. Now, B.J. Alan increasingly finds itself in the position of having to decline such orders because of the extremely high charges assessed by the LTL carriers and because those carriers, unlike UPS, will not move individual parcels in an expedited fashion.

As matters now stand, B.J. Alan cannot get its product to many of the retail merchants who have previously purchased common fireworks from B.J. Alan. For example, while Federal Express will handle a shipment to Hills Department Stores in Indiana, they will not handle a shipment to Hills in Michigan even though both states permit the sale of common fireworks by authorized retail establishments. This discrepancy is repeated throughout the United States.

Because of these problems, B.J. Alan has lost a significant amount of business to retail outlets which order limited quantities each year. For example, it no longer sells to J. C. Sales which was a major supplier to the Hook's Drugstores, Peoples Drugs, Super X Drugs and others. Under the arrangement with J.C. Sales, B.J. Alan would ship directly to the above-listed drugstores via UPS. When UPS withdrew its services, B.J. Alan attempted to create an alternative shipping pattern. However, this attempt failed when no alternative was found to replace UPS. Thus, B.J. Alan has lost this business.

All shipments to retail outlets are carefully monitored both by B.J. Alan and its wholesale and retail customers to ensure compliance with local fireworks laws. There is simply no way that either company will take the chance that shipments do not conform to the local regulations. However, because some states do not permit the full range of common fireworks or else have some local ordinances limiting common fireworks, Federal Express will not handle any shipments to such states. Thus, B.J. Alan is not able to satisfy its contractual agreements with its customers because it cannot find a replacement for UPS.

In addition, B.J. Alan is no longer able to provide samples to its prospective retail customers. In order to explain this further, it is noted that B.J. Alan has a national sales organization made up of independent sales representatives. In order for them to be effective in their sales presentations, actual samples must be presented to their clients. Given the broad geographic coverage that is entailed in this program, it is essential that B.J. Alan be able to economically distribute small samples. At the present time, B.J. Alan is unable to do this because of the lack of a carrier.

In addition, B.J. Alan and fifteen other major fireworks companies have formed an association called the American Fireworks Standards Laboratory. The purpose of this organization is to develop safety standards for all fireworks in tandem with the Consumer Product Safety Commission and the Department of Transportation. Under this program, product from both China and from domestic producers will be sent to the association's laboratory for testing. These shipments of samples will plainly involve small parcels for which no carrier is presently available. Also, the Consumer Product Safety Commission and many local and state fire marshals request B.J. Alan to send samples of various items to them for testing. Because of the inability to obtain reasonable and economical carriage, these voluntary efforts which are designed to enhance the safety of common fireworks are being hampered.

The adverse impact can also be demonstrated in terms of employment. In 1987, we employed over 400 individuals and had two full shifts a day during the season. This year, during the height of the season, we employed only 154 individuals. By the last week of the season, this number had dropped to 128 individuals. As reflected by the letter that was sent to the ICC by the National Association for the Advancement of Colored People, which is attached hereto, B.J. Alan has made a strong commitment to hiring minorities in Youngstown, Ohio. As a small family business, we feel that it is important to do everything we can to improve the community, especially hire young people who would otherwise be unemployed. Unfortunately, the ICC' refusal to require UPS to honor its common carrier obligation has prevented us from being able to hire as many individuals as in the past.

The problem is that the retail merchants, as well as individual consumers, are unwilling to pay the freight minimums that are assessed by most carriers. When they ship a small parcel, they expect to pay no more than the charge that UPS assesses. When they discover that a 10 pound parcel containing $25 worth of common fireworks is going to cost them $70 in transportation charges, when a similar parcel shipped via UPS would cost less than $5, they refuse to purchase.

As we have discovered, in the past when the ICC granted UPS operating authority, it often predicated its grant on the fact that the rates charged by LTL carriers effectively embargoed the shipment of small parcels. In addition, the ICC recognized that the higher rates of the LTL carriers were "prohibitively" high and discouraged the development of commerce.

The much higher rates also apply to Federal Express. In fact, the disparity between UPS and Federal Express has been admitted by UPS spokesmen. In the course of another, unrelated proceeding, UPS' counsel commented that one would have to be crazy to ship by air at a cost of $11.50 and above, when you could ship by UPS for $2.30. I hasten to add that to ship even the smallest parcel of common fireworks via Federal Express costs us in excess of $23.00. That same shipment via UPS would cost less than $4.00.

Even though we have presented the above facts to the ICC for its consideration, the ICC has refused to require UPS to reinstitute service. Although UPS has never claimed that it is not making a profit from the transportation of common fireworks, the Commission, after first finding UPS' refusal to transport to be unlawful, reversed itself and sanctioned UPS' embargo. In so doing, the ICC observed that the case involves discrimination. However, the Commission excused UPS from rendering service on the grounds that the common carrier obligation, in the eyes of the former majority, was modified by the Motor Carrier Act. According to the ICC majority, UPS now has the discretion to pick and choose among the shippers it will serve.

B.J. Alan respectfully submits to the Members of this Committee that the legislative history of the Motor Carrier Act of 1980 will be searched in vain for any indication that Congress intended to alter the common carrier obligation and to leave it to the discretion of common carriers to discriminate beteen the various shippers who are dependent upon a common carrier. To the contrary, nothing in the legislative history of the MCA indicates an intent to change either §§ 11101(a) or 10741(b). Rather, the legislative history affirmatively indicates that Congress did not intend to eliminate or weaken the common carrier obligation. Speaking in support of the House bill which became the 1980 Act, Representative Howard, the Chairman of the Surface Transportation Subcommittee, stated that:

> None of these provisions [of the 1980 Act "which provide for increased entry opportunities and removal of wasteful operating restrictions"] eliminate or weaken the carriers' obligation to perform the service they are authorized to perform under their certificate.

126 Cong. Rec. 15,583 (1980) (emphasis added). Likewise, Representative Shuster, ranking Republican Member of the Surface Transportation Subcommittee, "emphasize[d]" that:

> [T]his bill keeps the common carrier obligation to serve. It does not touch that. It keeps that. And that is fundamental.

Id. at 15,592. There is absolutely nothing in the history of the MCA to the contrary, or that indicates any intention to alter the standards governing "type of traffic" discrimination.

Furthermore, consistent with the Supreme Court's recent holding in Maislin Industries, U.S., Inc. v. Primary Steel, Inc., No. 89-624, decided June 21, 1990, slip op. at 18, if strict adherence to the common carrier obligation as embodied in the provisions of the Act "has become an anachronism in the wake of the MCA, it is the responsibility of Congress to modify or eliminate these sections." In summary, by implementing a policy that permits a "more relaxed common carrier obligation" that is dependent only upon the carrier's assessment of the circumstances at a given moment, the majority in UPS II overstepped the boundaries that have been placed on the Commission by the Supreme Court in Maislin.

Because the ICC has taken an approach which is contrary to the Act and over 150 years of Supreme Court precedent defining the common carrier obligation, B.J. Alan is suffering continued losses in its business. Since UPS has never shown that its transportation of common fireworks has caused it to lose any revenues, and because UPS plainly has the capacity to provide service to B.J. Alan, there is no reasonable reason to sustain UPS' discriminatory treatment of B.J. Alan and other members of the American fireworks industry.

It is true that a small minority of States continue to prohibit common fireworks. I hasten to add that B.J. Alan and other members of the American fireworks industry are not interested in forcing UPS to transport fireworks to such points. In fact, for many years, we worked with UPS and voluntarily agreed to an informal embargo to certain areas. Moreover, B.J. Alan has made it known to UPS that it would be willing to pay a reasonable surcharge to cover the return of any parcels that might be returned by consumers who, after ordering the parcels, changed their minds. UPS, however, has adamently declined to consider such a proposal.

Having said the above, however, there is absolutely no excuse for UPS to decline shipments of common fireworks to the thousands of villages and towns throughout the United States where ordinary citizens wish to carry on the tradition, dating from the days of John Adams, of exploding common fireworks on the Fourth of July.

Thus, this Committee is urged to make it clear to the Commission that it will not tolerate the Commission's indifference to the legislative history of the Motor Carrier Act of 1980 which clearly indicates that Congress did not remove the common carrier obligation. The Commission should be advised in no uncertain terms that, consistent with the Supreme Court's traditional test, a common carrier continues to have a duty to "serve all, up to the capacity of his facilities without discrimination and for reasonable pay." Michigan P.U.C. v. Duke, 266 U.S. 570, 577 (1925) (emphasis added).

If that principle had been applied in the proceeding before the ICC, B.J. Alan would not find itself on the verge of financial ruin. In addition, UPS would have enjoyed the revenues generated by its transportation of common fireworks.

Unfortunately, UPS is not the only problem that we face. On July 2, 1990 -- two days before Independence Day, we filed an antidumping petition with Elkton Sparkler Co., of North East, Maryland, against sparklers from the Peoples Republic of China. As basically the two remaining domestic sparkler producers, we decided to fight the PRC's irrationally low sparkler prices --

prices that are approximately half of our prices and well below our cost of production. Since the Chinese entered the U.S. market in the late 1970's, we have seen our share of the domestic market plummet from an approximately 80 percent share to a 20 percent share. American jobs have also been lost as we have been forced to cut production.

We are hopeful that the International Trade Commission and the Department of Commerce, the two government agencies that are handling the case, will confirm that the PRC is dumping sparklers in the U.S. and that we have been injured by the PRC's irrationally low prices. We have asked that 91 percent antidumping duties be imposed on No. 8 sparklers and 63 percent antidumping duties be imposed on No. 10 sparklers.

In closing, I wish to thank you again for coming to Youngstown and permitting me to address you. As Congressman Traficant is well aware, this area has been hard hit by the collapse of the steel industry. There is a tremendous need in this area to create jobs and to expand the local economy. We at B.J. Alan want to contribute to the development. Unfortunately, as the previous statements show, we are being prevented from doing so because of the Interstate Commerce Commission's refusal to enforce the Act. While I realize that two of the three Commissioners who voted against us have been removed from office, the newly constituted Commission has to this date proved to be unwilling to take a further look at the matter in order to reach a conclusion that is consistent with the intent of Congress. Thus, B.J. Alan must respectfully request the assistance of this Committee in order to bring an end to the battle and restore reasonably priced service to the common carrier industry.

YOUNGSTOWN BRANCH

National Association for the Advancement of Colored People

26 S Hazel Street • Youngstown, Ohio 44503 • Telephone 216/744-4762

MAILING ADDRESS
P O BOX 6103
YOUNGSTOWN OHIO 44501

May 2, 1990

The Honorable J. J. Simmons, III
Interstate Commerce Commission
12th. & Constitution Ave., N.W.
Washington, D.C. 20423

Re: MC-C-30093, B. J. Alan Company, et at. v. United Parcel Service, Inc. et al.

Dear Commissioner Simmons:

I am writing this letter to urge you to have the Commission reconsider its decision in the above-referenced proceeding. I want you to be aware that B. J. Alan Company has made a strong commitment to hiring minorities in Youngstown, Ohio. The jobs which it provides are essential to many young people who would otherwise be out of work because there are no other jobs in this economically depressed area. However, since the company is unable to ship its product due to UPS' apparent discriminatory refusal to handle common fireworks, it has had to reduce the number of people it can hire. This is harming many people who depend on the company for work during the fireworks season.

B. J. Alan is a friend of the N.A.A.C.P. and has worked closely with us in the past. We, therefore, ask you to do what you can to make sure that they are treated properly and that they receive a fair hearing.

Sincerely,

Willie R. Oliver

Willie R. Oliver
Branch President

mah

cc: B. J. Alan
Atty. Richard H. Streeter
Governor Richard Celeste
Senator John Glenn
Senator Howard Metzenbaum
Congressman James Traficant

HEARING TESTIMONY re: FRASTRUCTURE AS IT AFFECTS ECONOMIC DEVELOPMENT IN THE YOUNGSTOWN, OHIO AREA

Submitted by:

CITY OF YOUNGSTOWN
26 S. Phelps Street
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INFRASTRUCTURE AS IT AFFECTS ECONOMIC DEVELOPMENT
(Creation & Maintaining of Jobs)
IN THE YOUNGSTOWN AREA

INTRODUCTION

To the Hearing Panel: Thank you for the opportunity to present testimony. The viability of cities is inextricably linked to transportation, especially throughout the industrial, and now the technical, age. A good transportation system is necessary to bring manufacturers and buyers together. Therefore, businesses pay close attention to a City's transportation assets when making site selection decisions.

In the past years, emphasis on motor vehicle transportation and highway construction and freeway systems avoiding urban centers, encouraged suburbanization and caused decline in central cities. Recently however, policy makers are beginning to intentionally match transportation policies more closely to urban development goals. We feel that it is important that federal, state and local governments come together in common agreement in developing and improving local infrastructure to benefit economic development in our area, impacting positively job creation and retention.

LEVEL OF ECONOMIC DISTRESS

The economic trauma suffered by the City of Youngstown and the Mahoning Valley over the past two decades has gained national recognition, and while recovery has begun, much work remains to be done. The loss of 30,400 manufacturing jobs since 1979 has severely impacted the wage levels for local employees. The economic growth in service, retail and wholesale trade has failed to offset the loss of high wage manufacturing sector jobs. The most recent available unemployment and per capita income statistics show Youngstown still lagging behind the state and nation. As of April, 1990, (latest rate available) the unemployment rate for Greater Youngstown was 7.4 percent, compared to 5.9 percent for Ohio and 5.4 percent for the nation (source: Ohio Data Users Center). The 1985 estimated per capita income in Youngstown was $7,968.00 compared to $10,371.00 for Ohio and $11,861.00 for the national. The Council for Economic Opportunities in Greater Cleveland estimates the poverty rate in Mahoning county to be 18.4 percent, ranking it second highest among the 10 largest counties in Ohio.

This proposal outlines a strategic economic development planning process which would greatly enhance Youngstown's ability to encourage orderly economic growth and job creation.

PROPOSED WORK PLAN

The purpose of the proposed activities is to create additional opportunities for economic development through the development of a strategic planning process designed to: (1) identify potential industrial and commercial sites which currently have disadvantages related to issues such as lack of access, lack of other necessary public improvements, and restrictive zoning, (2) determine the feasibility of making the improvements and changes necessary to make potential development sites attractive, and (3) create the excitement and commitment necessary to effect the necessary changes.

Previous studies, partially funded by the Economic Development Administration and undertaken by the Youngstown Revitalization Foundation (YRF), indicate a need for additional quality industrial sites. One study revealed that while a substantial amount of vacant industrial land existed in Youngstown, the majority of it was either unimproved or occupied by obsolete facilities.* Surveys of existing manufacturers indicated a demand for quality industrial land of the type found in industrial parks. In most cases, manufacturers indicated a need for relatively small sites. Over 40% indicated a need for one acre or less; nearly two-thirds indicated a need for five acres or less.**

The proposed work program would build upon the aforementioned studies by assessing the relative feasibility of upgrading sites to establish priorities for city involvement, by formalizing a plan of action for site improvements, and by expanding the analysis to sites not currently zoned industrial (the YRF inventory was limited to industrial zoned land). The proposed process would help to ensure that the deficiencies in industrial land identified in the YRF study are corrected, and that the demand for small quality industrial sites documented in the YRF survey is met.

Rationale/Need:

The City of Youngstown has experienced considerable change over the past two decades. The loss of high-paying manufacturing jobs has had an impact upon the population, upon the tax base, and upon the neighborhoods. The City's population has declined from 140,909 in 1970 to 101,150 (est.) in 1988. Some previously solid residential neighborhoods have fallen victim to decline and disinvestment and are now characterized by abandoned structures and vacant lots.

Acknowledging these changes, the Mayor of Youngstown has indicated a desire to modify city development policy and legislation to more effectively utilize city resources and land. By adapting to change, and by creatively promoting the reuse of abandoned or underutilized land, economic development activities and job creation can be stimulated. Effectively adapting to change, however, requires careful consideration and analysis of the options. Examples of the types of issues and questions which have been raised include:

> Is land available, especially with freeway access, that is suitable for the development of light industrial, service or commercial enterprise, but which is restricted to less appropriate or less likely types of development?
>
> What can be done to encourage development on the largely undeveloped East Side in a manner which is compatible with existing neighborhoods?
>
> What are the viable alternatives for reuse of industrial land along the Mahoning River; how can access to this land be improved?

If these issues are to be addressed in an effective manner, the City must examine the technical elements involved.

Expected Impacts and Their Timing:

The proposed activities would have several positive impacts on economic development efforts in the City of Youngstown:

> Identifying potential sites for industrial or commercial activity, and outlining what needs to be done to make the sites viable, represents a first step toward increasing the City's limited inventory or marketable land. Possible City action includes direct intervention through land acquisition or capital improvements and supportive actions that encourage privately financed development.
>
> By systematically evaluating the advantages and disadvantages, the cost and benefits, associated with potential sites for development, the City can prioritize its development options and use its limited resources more effectively and efficiently.
>
> Encouraging involvement from local, state and federal government, specifically in infrastructure development, maintenance and development of land in strategic areas.
>
> The process itself would create enthusiasm and commitment. Resulting positive publicity should create an atmosphere of opportunity conducive to local new entrepreneurship and expansion, as well as to the attraction of outside firms.

In addition to the direct benefits of the proposed activities as discussed above, many indirect and long-term positive impacts associated with the development of a participatory planning process are anticipated.

SPECIFIC PLANNING ACTIVITIES/PROCESS

Technical Studies:

The overall purpose of the technical studies would be to identify and to systematically analyze potential industrial and commercial sites so that the City may take the steps necessary and appropriate to encourage economic development. Several sites have already been targeted for study; others are expected to emerge during the planning process. Examples of the areas to be studied, and the types of questions to be answered follow:

> Large tracts of industrial land, much of it formerly occupied by steel mills, lie unused or underutilized in Youngstown. This land represents potential sites for new development but many questions need to be addressed. For example: What are the current limitations related to lack of infrastructure and accessibility, what are the potential solutions, and are they

economically feasible? What is the likelihood of the land being contaminated by toxic substances and what would cleanup cost? Which sites could the City feasibly acquire, improve and market?

Lands adjacent to freeway interchanges are highly accessible and therefore represent prime sites for industrial or commercial development. A systematic study of land near freeway interchanges is necessary to determine answers to questions such as: What are the existing land uses? Have neighborhoods near any of the interchanges declined to the extent that relocation (of remaining residents) and reuse is warranted? Does zoning reflect current reality or does it need to be updated? What is the potential for and advisability of, related land acquisition by the City?

Other specific areas for the City will also be considered in the analysis of potential sites for industrial or commercial activity. One such area is the largely undeveloped section of the East Side in the vicinity of Lansdowne Airport and McKelvey Lake. Key issues to be studied in relation to this site include current limited accessibility and potential ties to the airport. A second such area is located within a declining residential neighborhood located just east of the campus of Youngstown State University. An analysis of the potential for encouraging new development related to the University's technology center is proposed.

SUMMATION

Again, we appreciate the opportunity of being heard by the panel involving what we believe to be one of the most important issues facing this administration. We conclude this document asking questions that all of us need to answer if we are to survive:

What are the scopes of influence of federal, state and local transportation agencies, and what part does each play in the revitalization process of our area?

How can we as an urban center foster closer working relations among transportation agencies and our local, state and federal agencies?

How can we work together as city, county, state and federal government to ensure that economic impacts are taken into account in making transportation infrastructure decisions in the future?

Perhaps the most pressing issue centers around how can we work together in a collaborative effort to complete the following infrastructure projects:

1. Hubbard Expressway from Albert Street in Youngstown to I-80, with interchanges at, and with upgrading of, Lansdowne, Liberty and Wardle.
2. Access to I-680 Southbound (on and off) from south edge of Youngstown at either Market Street or South Avenue.
3. Widening and upgrading of Martin Luther King Memorial Blvd. from the Madison Avenue Expressway to Fifth Avenue in Youngstown.
4. Widening and upgrading of U.S. Route 62 and S.R. 7 from Verona Avenue in Youngstown to City limits.
5. Widening and upgrading of Poland Avenue from Center Street to Alpine Street in Youngstown.
6. Replacement of the Credit Mobellier Bridge between Crescent Street and Bridge Street in Youngstown.
7. Expedition of the following project already programmed: New Center Street Bridge, with access to the industrial land along Poland Avenue; and completion of the South Avenue Bridge, one of the main arteries into the City of Youngstown.
8. How can local government expedite the expenditure of Federal Highway Trust Fund dollars for projects crucial to our very existence.

FOOTNOTES

* Samuel S. DeAngelis, *The Quality of Industrial Land in Youngstown, Ohio*, (Youngstown: Unpublished Report of the Youngstown Revitalization Foundation, 1987)

** Calypso Petrakos, *Analysis of the Industrial Needs and Preferences Survey*, Youngstown: Unpublished Report of the Youngstown Revitalization Foundation, 1987)

William P. Fergus, P.E., P.S
Mahoning County Engineer

WILLIAM P. FERGUS
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MAHONING COUNTY INFRASTRUCTURE MANAGEMENT STATUS, 1990

IN ORDER TO ADDRESS MAHONING COUNTY'S NEEDS REGARDING INFRASTRUCTURE MANAGEMENT, A STUDY WAS CONDUCTED.WHEN THE COST FACTOR PORTION OF THIS STUDY WAS COMPLETED, IT WAS DIFFICULT FOR OUR LOCAL OFFICIALS TO COMPREHEND THE AMOUNT OF MONEY NEEDED TO MAINTAIN OUR EXISTING LEVEL OF SERVICE, LET ALONE FINANCE ANY NEW OR EXPANSION PROJECTS. FURTHERMORE, THE MAGNITUDE OF THESE COSTS IS INCONCEIVABLE TO THE GENERAL PUBLIC.

AS PART OF THE STUDY, THE EXISTING MAHONING COUNTY INFRASTRUCTURE HAS BEEN PRIORITIZED ACCORDING TO NEEDS BASED UPON SEPERATE PAVEMENT AND BRIDGE MANAGEMENT SYSTEMS. THESE MANAGEMENT SYSTEMS ARE DOCUMENTED, REFER TO ATTACHMENTS ONE AND TWO THAT SUMMARIZE THE BRIDGE AND ROADS UNDER THE JURISDICTION OF THE MAHONING COUNTY ENGINEER.

THE PAVEMENT MANAGEMENT SYSTEM (PMS), DETAILS CONDITION RATINGS FOR MAINTENANCE ACTIVITY THAT IS NEEDED FOR EACH SECTION OF COUNTY ROADWAY AND EXPLAINS THE NECESSARY REPAIRS AND COSTS AT TODAY'S DOLLAR AMOUNTS. THE TOTAL DOLLAR AMOUNT FOR MAINTENANCE ACTION ON THESE ROADWAYS TO MAKE THEM ACCEPTABLE AND ADEQUATE IS IN EXCESS OF $185 MILLION, AGAIN FOR COUNTY MAINTAINED ROADWAYS ONLY.

TO ADDRESS THE MAHONING COUNTY BRIDGES, A SIMILAR MANAGEMENT SYSTEM ASSIGNS A FIGURE OF AN ADDITIONAL $70 MILLION THAT IS NEEDED IN THE NEXT 10 YEARS TO GET ALL 323 BRIDGES MAINTAINED BY THE COUNTY UP TO AN ACCEPTABLE LEVEL. THESE PROJECTS INCLUDE REPLACEMENT, REHABILITATION, AND GENERAL MAINTENANCE TO ALL EXISTING STRUCTURES SO THAT THE ANNUAL COST AFTER THE YEAR 2000 CAN BE MAINTAINED AT A LEVEL THAT IS SUITABLE ENOUGH TO SUPPORT AN ONGOING CYCLE OF MAINTENANCE.

TO SUSTAIN THE INFRASTRUCTURE, AN EFFICIENT DRAINAGE SYSTEM IS NEEDED. THE PRESENT DRAINAGE SYSTEM IS ANTIQUATED, ERODING, AND PARTIALLY INADEQUATE. IN ORDER TO KEEP PACE WITH GROWTH AND ECONOMIC DEVELOPMENT, THE WIDENING OF EXISTING ROADS WILL NECESSITATE NEW AND UPGRADED DRAINAGE SYSTEMS TO BE COORDINATED WITH THE PAVEMENT AND BRIDGE MAINTENANCE PROGAMS. THIS IS A NECESSITY BECAUSE THE CONDITION OF DRAINAGE FACILITIES IS A CONTRIBUTING FACTOR IN THE DETERIORATION OF THE OVERALL INFRASTRUCTURE SYSTEM.

PRESENT AND FUTURE TRAFFIC SAFETY NEEDS ARE ANOTHER OF THESE FACTORS. THE INCREASE IN THE VOLUME OF TRAFFIC NOT ONLY ABUSES THE ROADS THAT WERE NOT BUILT TO HANDLE THESE AMOUNTS, BUT ALSO CREATES UNSAFE CONDITIONS FOR MOTORISTS.

THE MAHONING COUNTY INFRASTRUCTURE SYSTEM PRESENTLY RELIES ON IT: PORTION OF STATE GASOLINE TAX AND LICENSE PLATE FEES FOR REVENUE TO MAINTAIN THE SYSTEM. EVEN WITH A RECENT INCREASE IN THE LICENSE PLATE FEE, WE STILL HAVE TO SELL BONDS IN AN ATTEMPT TO MATCH STATE AND FEDERAL REVENUES TO ACCOMPLISH MAJOR CONSTRUCTION FOR INFRASTRUCTURE PROJECTS.

I AM CONFIDENT THAT YOU CAN REALIZE THE VICIOUS CYCLE THAT SURFACES WITH RETIRING BONDS WITH THE HOPE THAT EVEN IF WE CAN SUPPORT OUR SHARE OF THESE MUCH NEEDED INFRASTRUCTURE PROJECTS, THAT FEDERAL REVENUE FUNDING IS READILY AVAILABLE. FOR THAT FUNDING TO BE READILY AVAILABLE, THE FEDERAL HIGHWAY TRUST FUND SHOULD STAND ALONE AND BE RELEASED FROM THE FEDERAL BUDGET. FEDERAL HIGHWAY FUNDING, IN PARTICULAR THESE AREAS WHERE WE, IN LOCAL GOVERNMENT, RELY MOST HEAVILY, MUST BE REAPPROPRIATED AT LEVELS WHICH WILL AT LEAST GIVE US THE SAME LEVELS OF PARTICIPATION. IT SHOULD BE USED FOR ONLY ONE PURPOSE, TO IMPROVE THE NATION'S TRANSPORTATION INFRASTRUCTURE.

ONCE AGAIN, I'M CONFIDENT THAT YOU CAN UNDERSTAND THE SEVERITY OF OUR SITUATION AND THE NEED FOR YOUR ADDITIONAL ASSISTANCE REGARDING THE MAHONING COUNTY INFRASTRUCTURE SYSTEM.

BRIDGE MANAGEMENT REPORT
7/2/90
FOR: MAHONING COUNTY

FOR NEXT 10 YEARS

TOTAL LOCAL MONEY NEEDED FOR NEXT 10 YEARS TO GET ALL

323 BRIDGES UP TO AN ACCEPTABLE LEVEL------------------------------ $22,000,000
(includes replacement, rehabilitation, and general
(maintenance)

MANY MAJOR STRUCTURES HAVE FEDERAL PARTICIPATION;

10 MAJOR SUPERSTRUCTURES NEED REPLACED

ANOTHER 10 NEED MAJOR REHABILITATION

25 SMALLER STRUCTURES NEED REPLACED

ANOTHER 25 NEED REHABILITATED

THE OTHER 250 NEED GENERAL MAINTENANCE

THE TOTAL COST (INCLUDING FEDERAL MONIES) NEEDED IN THE NEXT
10 YEARS -- $70,000,000

FOR 10 YEARS AND BEYOND

ESTIMATED ANNUAL MAINTENANCE COST FOR THE YEAR 2000 -------------- $ 1,000,000

ESTIMATED ANNUAL REPLACEMENT COST FOR THE YEAR 2000 -------------- $ 3,000,000

TOTAL COSTS NEEDED FOR THE YEAR 2000 ----------------------------- $ 4,000,000

ANNUAL COST FOR THE YEAR 2010 (THRU 2019) ------------------------ $ 8,000,000

ANNUAL COST FOR THE YEAR 2020 (THRU 2029) ------------------------ $16,000,000

ANNUAL COST FOR THE YEAR 2030 (THUR 2039) ------------------------ $32,000,000

ATTACHMENT ONE

PAVEMENT MANAGEMENT REPORT
04/03/90

For: MAHONING COUNTY

PAVEMENT CONDITION RATING (PCR) SURVEY:

PCR SUMMARY TABLE

PAVAMENT COND.	PCR-RANGE	SECTIONS/RANGE	% TOTAL	% ACCUM. TOTAL
Failed	0 - 14	42	8.03	8.03
Very Poor	15 - 24	78	14.91	22.94
Poor	25 - 39	105	20.08	43.02
Fair to Poor	40 - 54	70	13.38	56.41
Fair	55 - 69	52	9.94	66.35
Good to Fair	70 - 79	25	4.78	71.13
Good	80 - 89	50	9.56	80.69
Very Good	90 - 94	45	8.60	89.29
Excellent	95 -100	56	10.71	100.00
		0	0.00	100.00

SUMMARY OF MAINTENANCE ACTIONS:

MAINTENANCE ACTIVITY	# SECTIONS	LANE-MI	TOTAL COST
Do Nothing.	2	2.4	$0.
Routine Maintenance.	26	36.8	$224,663.
Localized Repairs & Routine Maintanence.	6	7.5	$102,750.
Localized Patching & Repairs.	55	104.7	$1,910,220.
Local Repairs & Improve and/or Cleanout Drains	100	188.6	$5,101,624.
Localized Repairs & Thin Overlay.	1	0.8	$12,560.
Correct Drainage Problems, Repairs & Overlay.	17	30.7	$2,363,360.
Localized Pavement Remov./Replac. & Overlay.	2	2.0	$38,800.
Rehabilitation & Resurfacing.	39	62.9	$4,815,540.
Major Stabilization of Base & Resurfacing.	27	50.8	$4,283,580.
Major Rehabilitation & Resurfacing.	37	68.8	$7,121,200.
Complete Reconstruction of Pavement.	195	458.7	$154,542,915.
Reconstruction of Foundation, Base & Pavement.	16	37.8	$4,633,410.
TOTAL FOR MAINTENANCE ACTIONS:	523	1,052.7	$185,150,622.

ATTACHMENT TWO

DRAFT

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HEARING HELD ON JULY 16, 1990
OPERATING ENGINEER'S HALL
BOARDMAN, OHIO

STATEMENT OF JOHN R. GETCHEY, P.E.
EXECUTIVE DIRECTOR
EASTGATE DEVELOPMENT & TRANSPORTATION AGENCY
OHIO ONE BUILDING - SUITE 400
25 EAST BOARDMAN STREET
YOUNGSTOWN, OH
(216) 746-7601

The Eastgate Development and Transportation Agency (EDATA) is the Metropolitan Planning Organization for Mahoning and Trumbull Counties, Ohio, which includes the Youngstown-Warren Metropolitan Area. As such, we have been planning for transportation system improvements since the initial Comprehensive Transportation Study was prepared in the late 1960s.

The needs of the Youngstown-Warren region basically reflect the needs of other urban and suburban areas throughout the state and country. Our existing highway network is in need of repair. Ongoing maintenance costs have increased to a point where there is little, if any, local funding available for major reconstruction or new facilities. Growth is taking place in the suburban areas of the counties and not in the Central Business Districts. As a result, existing arterial highways and major collectors are quickly reaching capacity, as the rate of development exceeds the ability of political subdivisions to improve systems to handle increased capacity demand.

As the Metropolitan Planning Organization, EDATA annually prepares a Transportation Improvement Program (TIP) which lists all highway and bridge projects proposed for Federal Aid funding over a five-year period. The current TIP lists over $102 million worth of projects proposed for construction by State Fiscal Year 1995. A number of the listed projects have been programmed for a number of years, but have not moved forward. A primary cause of project delay is the inability of smaller communities to provide for the local share of the project cost. Federal funding is sought by these communities for the Preliminary Engineering phases of the projects, which delays projects one to two years. These smaller communities also must seek sources other than local funds to match Federal funds for project construction. Part of the problem is that the time required to implement Federal-Aid projects over the years and the complexity of these projects, have grown significantly--and continue to grow. As project implementation is delayed, costs continue to increase, congestion grows, and in many cases an important factor for the economic development of the area is delayed. The transportation process must be adjusted so that projects can be carried out as development occurs, or as system deficiencies are identified.

DRAFT

As the agency designated to administer the State Bond Issue 2 (Infrastructure Repair) program for Mahoning and Trumbull Counties, EDATA maintains a listing of all projects requested by communities in the two counties. In the last round of funding (December 1989), of 497 requested projects, 303 were roadway and bridge projects estimated to cost in excess of $127 million. Funding available through the program is limited to approximately $8 million per year. Again, the demand for project funding greatly exceeds the funding available.

The need for supplemental Federal funding programs to provide for on-going, annual maintenance is a need of most of the communities in the Valley. This funding would free up local money which could be used to leverage Federal funding for major improvements and new facilities. Local communities have, over the past few years, begun programs which are enabling them to use available local funding more efficiently. These programs include infrastructure inventories, pavement management programs, and an overall awareness of the importance of maintaining existing facilities by the use of comprehensive evaluations and good engineering judgement.

Local governments, aware of the costs associated with maintaining the existing infrastructure, have taken actions to increase the amounts of local funding available for highway maintenance and system reconstruction. The needs of the area have dictated that these efforts are necessary. Mahoning County residents approved a Bridge Bond levy which provided more than $23 million for bridge repair and replacement in the county. Since passage of the levy, over $12 million has been spent on 55 projects by the county and the City of Youngstown. The Mahoning County Commissioners have approved an additional $10 increase in the cost of vehicle registrations, which will be used for road repair. A number of other cities and townships have approved an additional $5 increase in vehicle registration fees for local roadway repair needs. With these additional sources of funding, the question continuously asked is, "Why aren't all our roadways and bridges in good condition?" The answer is simple. The needs of the area greatly outweigh available resources to meet those needs.

Some critics of development plans for the area have stated that transportation planning has, in the past, been done for non-economic development reasons, and has not kept up with economic development needs. Many highway system improvements which would assist economic development efforts have not been built due to lack of available funding. However, many of these improvements and new facilities have been identified, and have been promoted for the past 20 to 30 years. These projects are needed for economic development. They are priorities of the region, but they have not been fundable due to shortfalls at the Federal and State levels.

The Interstate Highway System is basically complete. Its purpose was to provide a direct link between cities through rural areas of the country. With its completion near, we must begin to concentrate our efforts in a number of areas. These include maintaining the Interstate System; providing for more access points on the existing system to better serve currently developing areas and areas proposed for development; to improving arterial and collector routes that lead to the Interstates; and building those new facilities which will accentuate the Interstate Routes. By providing these types of efforts, Central Business Areas such as those in the Youngstown-Warren Urban area, as well as fast growing suburban areas, will benefit.

The Youngstown-Warren area has long promoted its location and available transportation system. We are located mid-way between New York and Chicago, mid-way between Cleveland and Pittsburgh, and centrally located in the corridor between the Great Lakes and the Ohio River. The existing transportation system has been a major tool in bringing new industrial and commercial activities to the region. Interstate Route 80, the major east-west highway, carries approximately 40,000 vehicles per day through the region. The interchange of the Ohio Turnpike with Interstate 80, at Gate 15, is the busiest interchange on the Ohio Turnpike in terms of gate traffic. State Route 11, a four-lane limited access highway, connects Lake Erie with the Ohio River in East Liverpool. But with all these facilities, additional new construction is needed so as to promote economic development within the urban areas and central business districts.

In 1987, the Ohio Department of Transportation (ODOT) requested that communities in Mahoning and Trumbull Counties come together through EDATA and establish a list of those projects which would best benefit the region. That list of six major projects was submitted to ODOT in April of that year. Of the six projects, three have been activated and are in various stages of implementation. The top priority project, the SR711 Connector, was just recently activated by the State, and will be built with State and local funding. The two other activated projects, the US62 Relocation Project from SR225 to SR14 in southern Mahoning County, and the construction of an interchange at SR11 and King-Graves Road in Trumbull County will be built using Federal and State funds. All of these projects will be instrumental in development efforts in both counties.

During the past three months, we have been working with the local communities to update the 1987 Priority List. Three projects from that 1987 list which have not been implemented are still considered as the top priorities for future funding. The top priority project identified by communities in both counties is the long proposed Hubbard Expressway, which would connect the existing Youngstown beltway to IR80 north of the city of Hubbard. This connection would be instrumental in developing the east side of Youngstown, and would provide for improved access to the

Youngstown CBD. The project, with an estimated cost of $46 million, has been proposed since the mid 1950s. Other projects on the revised priority list are as follows:

2. Warren Outerbelt - Southern Leg From SR5 to SR82
   $68,000,000

3. US62 Relocation - US62 Salem to SR7
   $78,000,000

4. SR46 Widening - CH18 to Salt Springs Road
   $6,300,000

5. SR45 Widening - Mahoning Avenue in Warren from Summit Street to SR305
   $8,000,000

6. SR5 Widening - Warren Outerbelt to SR46 in Cortland
   $6,800,000

7. US224 Widening - SR616 in Poland to the Ohio/PA State Line
   $7,500,000

8. SR534 Widening - Newton Falls City Limits South to US224
   $18,000,000

These priority projects are necessary to promote economic development, to improve access to commercial ard industrial areas, and to improve current and anticipated traffic congestion problems.

The available Federal, State, and local funds needed to meet the current and future needs of our transportation systems will never be sufficient. For those who realize the amounts of funding needed, this is obvious. However, it is imperative that the Federal Government continue to support local needs. With the forthcoming reauthorization of the Federal Highway Act, a number of points must be made.

First of all, to offset some of the need for construction of major new highway systems, it is imperative that Federal funding support of local public transit systems be maintained. It is an absolute must that we secure maximum participation from the Federal Government if the full potential of public transit is to be realized in the years ahead. The Executive Director of the Western Reserve Transit Authority, James J. Ferraro, in a recent letter to our office offered the following.

> "For those of us dealing with transit first hand, our feelings are that there isn't a bigger threat to the quality of life in our communities than the continuing decline of mobility. Explosive growth in travel demand, inattention to transportation investment needs, the harmful consequences of

> land use and our insatiable appetite for automobile use are overwhelming our transportation systems and facilities. In turn, the increasing inability of the transportation provider to handle the efficient movement of people and goods undermines our regional economies, weakens our international economic competitiveness and dramatically diminishes the quality of our environment."

The second point that must be made is that Federal Transportation System funding programs must continue to be allocated for local project use by local officials. As a member of the Ohio Association of Regional Councils (OARC), the EDATA General Policy Board, by resolution, has supported the concept of a Metropolitan Transportation System which is based on formula funding and is administered locally through a cooperative process involving state and local governments and public transit operators. This process would include a formula program for continued reinvestment in the urban highway program, a formula program to support capital and operating needs of public transit, and a discretionary program targeted to major highway and transit capital needs based on a local decision-making process. Continued funding for Rural System Programs and Bridge Programs is also supported.

In conclusion, the infrastructure needs of our region are many. Highways and bridges are in need of maintenance and repair, and new facilities are required to improve existing traffic flow problems, promote economic development, and to prepare for anticipated growth. Continued Federal funding support of local highway, bridge, and public transit projects is an absolute necessity. Balances in the Highway Trust Fund should be reduced over a multi-year period by use on eligible transportation-related projects.

The consensus top priority highway project, currently not active or programmed, is the Hubbard Expressway. As noted earlier, this project will be a significant factor in determining the economic well-being of the region.

THOMAS J. CARNEY
JOHN PALERMO
LEONARD G. YURCHO

County of Mahoning
BOARD OF COMMISSIONERS

MAHONING COUNTY COURT HOUSE
120 MARKET STREET
YOUNGSTOWN, OHIO 44503

Phone: (216) 740-2130
(216) 740-2000
1-800-686-2007

Presented by L. Kenneth Gran

A MAHONING VALLEY FOR TODAY, TOMORROW AND THE FUTURE

It is often said that the Mahoning Valley is located in the most strategic area of the Northeastern part of Ohio and the United States. It is midway between Cleveland and Pittsburgh and midway between New York City and Chicago. It is the center of a 75 mile radius population of 7.5 million people.

Once dominated by basic steel, the Mahoning Valley continues to be a factor in that business area, but its industry has been diversified and it includes automobile assembly and parts manufacturing, metal fabrication of various kinds, and plastics. Mahoning Valley is fast becoming a service and distribution center. It is served by modern highways, notably the east-west Ohio Turnpike and Interstate 80, and the north-south Route 11 that connects the Ohio River to the South and Lake Erie, which lies 50 miles to the north of our area.

The community profile of the Mahoning Valley features modern, well-equipped and staffed health-care facilities; an outstanding urban university campus, visual and performing arts and cultural activities second to none; a treasure chest of community historical values; a progressive public and private educational school environment; a convenient and easily-accesible transportation network; a dedicated and highly-skilled labor force; a sincere and diversified ethnic and minority population; a park and recreation system featuring the sensational Mill Creek Park;...all in all,... Mahoning Valley is a great place and it needs and deserves tender loving care.

It was good news to hear the announcement that Federal Funds are being considered for the Hubbard Expressway connector to Interstate 80 in Hubbard; and the proposed improvement and ramping interchange connector at the Center Street Bridge with the City of Youngstown 680 Bypass. But,... the Mahoning Valley has felt a tremendous financial pinch with the loss of the Federal Reserve Sharing Program, especially in the Townships, Villages and Municipalities of Mahoning County. The State of Ohio has put their best foot forward with the passage of Issue 2 monies (H.B. 704). This provides for a state-local partnership to maintain and restore the essential service needs of our communities. It is designed to generate new investment in new and existing water, sewer, wastewater. road, bridge, and solid waste programs. These are essential needs for us to be absolutely concerned about inasmuch as they are of absolute necessity for growth.

In conclusion, ... it has also been said that prospective industries seek out the amenities of an area and evaluate and compare them to other prospective geographical site locations being considered for relocation. We strongly feel that we must continue to strive for infrastructure preservation and investment in order for us to preserve a competitive position in the competitive market of maintaining and attracting industry to Mahoning Valley.

The Board of Mahoning County Commissioners has demonstrated their positive approach for local funding with the various levies and taxation iniatives that have been implemented. These funds are available as matching funds for Federal and State Funding Programs that can be utilized for the Mahoning Valley. We are firmly convinced that we are a "diamond-in-the-ruff" geographical location,...but we need funding assistance and help to "polish-the-diamond" in order for it to "glitter" and attract economic and community development growth for the future of our youth in Mahoning Valley.

BOARD OF MAHONING COUNTY COMMISSIONERS

J Kenneth Gran

J. Kenneth Gran, Clerk of the Board

NORTHEAST HOMEOWNERS ASSOCIATION
YOUNGSTOWN,OHIO 44505

Warren Harrell,President
2154 Bott Ave.,
Youngstown,Ohio 44505-3807

July 16,1990

Congressman, James A. Traficant,Jr.
10 Overhill Rd.
Youngstown,Ohio 44512

Reference: Congressional Hearing Testimony
(Transportation and Public Works Committee)

Subject: U.S Department Of Housing And Urban Development
Low Income Housing Program

Mr. Chairman:

I am Warren Harrell, President of the Northeast Homeowners Association (NHA) which is an organization comprised of homeowners, who own real property on the eastside of Youngstown,Ohio. The organization was formed to protect the mutual interest and basic property rights of the homeowners on the east side of Youngstown, Ohio.

The east side of Youngstown,Ohio is a predominately black neighborhood highly impacted with public housing.

The Youngstown Metropolitan Housing Authority(YMHA) contrary to the intent of the U.S. Housing and Community Development Act of 1980, violated the act to avoid building the units in other parts of Youngstown Ohio, which are not racially impacted.

YMHA has build public housing on Woodside and Sunshine avenue, which will serve to further concentrate predominately black public housing in one area of the city of Youngstown, contrary to the intent of the Housing and Community Development Act,the Equal Protection Act of the United Stats Constitution, Public Housing Site and Neighborhood Standards.

In November and again in December 1989, we appeared in the United States District Court,Northern District of Ohio, Eastern Division, Judge David D. Dowd, Jr. presided at a hearing,which, we were seeking permanent injunction against YMHA to prevent them from building on their designated sites. Judge Dowd ruled that YMHA could build the units, based on the Youngstown Housing Assistant Plan(HAP) and the Northeast Homeowners Association (NHA) also had a right to pursue further court action as an organization.

Page 2 (NHA)

It is our opinion, that the HUD Low Income Housing Program must be more clearly defined, so that Regional Administators,Directors and local officials willbe more responsive and sensitive to the needs of the residents of the community.

We further believe, that the site selection process in its present form and as implemented by YMHA needs intensive monitoring by a federal auditing agency for compliance of their housing program.

In closing, let me emphasis that we are for Low Cost Housing because there is a dire need for housing, but they must be equally distributed throughout the metropolitan area.

We have documentation which was presented to the court to support our opposition to the YMHA and their housing program, which has been unfair to the citizens of this community.

Thank you for the opportunity to present our viewpoint and well known facts to this committee.

Warren Harrell

Warren Harrell, President
Northeast Homeowners Association

MAHONING COUNTY
TOWNSHIP ASSOCIATION

PRESIDENT
IVAN HOYLE
16497 HOYLE ROAD
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VICE PRESIDENT
WILLIAM F. NAVARRA
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LOWELLVILLE, OH 44436

SECY.-TREASURER
DOLORES J. BENNETT
13687 ELLSWORTH ROAD
BERLIN CENTER, OH 44401

INFRASTRUCTURE NEEDS OF THE TOWNSHIPS OF MAHONING COUNTY
IMPORTANCE OF JOBS

As we consider the needs of Mahoning County and the Mahoning Valley we must keep health and safety issues a top priority. Infrastructure most certainly is of utmost importance.

With the loss of Federal Revenue Sharing, Townships felt a tremendous financial pinch and infrastructure was the top loser. The State of Ohio tried to help with this problem by passing Ohio H.B. 704 (Issue 2). This Bill provides for a state-local partnership to maintain and restore the essential service needs of our communities. The program is designed to generate new investment in existing water, sewer, wastewater, road, bridge, and solid waste projects and to have that new investment available to every governmental unit which has a need for assistance.

Although we have good cooperation between the Townships, County, Village, and City Governments in Mahoning County, the needs cannot possibly be met by this State Program. Ohio has done much to help its own communities, but most certainly more funding from the Federal Government for infrastructure is essential.

Another top priority must be the jobs that affect our very existence; especially that of our youth. If we don't provide job opportunities for our young people they will leave our area and take with them their knowledge and work skills. Approximately 70% of property tax monies go for the education of our youth. This is a huge investment and we should spend more to create employment opportunities that will keep citizens in the Townships, Villages, and Cities of the Mahoning Valley. Infrastructure and jobs walk hand-in-hand.

MAHONING COUNTY
TOWNSHIP ASSOCIATION

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IVAN HOYLE
15497 HOYLE ROAD
BERLIN CENTER, OH 44401

VICE PRESIDENT

WILLIAM F. NAVARRA
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LOWELLVILLE, OH 44436

SECY.-TREASURER

DOLORES J. BENNETT
13657 ELLSWORTH ROAD
BERLIN CENTER, OH 44401

We can, and must, have preservation of existing jobs and infrastructure at the same time we are expanding into new areas of both. Federal and Local Governments must work as a partnership to maintain and restore the services that are necessary for business to invest in the Mahoning Valley.

Ivan Hoyle

Ivan Hoyle, President
Mahoning County Township Association

Dolly Bennett

Dolly Bennett, Secretary-Treasurer
Mahoning County Township Association

Ohio House of Representatives

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COMMITTEES:
Agriculture and Natural Resources
Economic Development and Small Business
Energy and Environment
Public Safety and Highways
Select Committee to Hear Drug Legislation

Statement by Ohio State Representative

SEAN D. LOGAN

Before the U.S. House Committee on Public Works and Transportation
The Honorable Glenn M. Anderson, Chairman
Monday, July 16, 1990

I would like to thank Chairman Anderson, Congressman Traficant and the rest of the committee for the opportunity to speak here today. I would like to speak briefly in support of this committee's efforts to improve the area's infrastructure, including the proposed expansion and improvement of Ohio State Route 14 and United State Route 62.

In my district, Columbiana County, as in most areas of Ohio, job creation remains our highest priority. Its importance cannot be over-emphasized. Our unemployment rate still lags behind both national and state averages, as does our rate of business start-ups. While we have made progress in the last decade, too many of our people are still unemployed and underemployed. Our ability to attract and hold the jobs of the future will rest, in large part, on our ability to provide business with a quality infrastructure.

Without a sound infrastructure; without access to sound utility service, good roads and highways, good water, and modern waste disposal facilities, no strategy for business development can be fully successful. I encourage and support any action that this committee can take toward achieving these ends.

In this part of the state, we often take for granted our proximity to the the Ohio River and its tributaries. Sometimes we do not fully appreciate the value of our water resource, nor do we often enough appreciate the importance that industry places on the availability of clean, plentiful water.

Many businesses that we lost to the so-called Sunbelt 15 and 20 years ago are now looking at the Midwest with new eyes. The very attributes that once put us at the center of America's industrial heartland are once again attracting the attention of business. I want to be sure that, when business looks to the Midwest, we in Eastern Ohio are ready.

Thank you.

Presented by Charles Miller

INFRASTRUCTURE NEEDS
TRUMBULL COUNTY

AS PREPARED FOR THE JULY 16, 1990
"COMMITTEE ON PUBLIC WORKS INFRASTRUCTURE HEARING"

In my capacity as the Trumbull County Sanitary Engineer, I am acutely aware of the Public Works Infrastructure Needs of Trumbull County in the form of water and sewer improvements and the impact of these needs on jobs in the area.

The grants program for wastewater improvements as administered by the U.S. and Ohio E.P.A. through 1988 enabled larger communities and more densely populated areas to construct new, and upgrade existing wastewater treatment plants, interceptor and collector sewers. I find, however, that many small communities and suburban areas with pollution problems and real needs for new or upgraded wastewater systems were unable to be funded due to competition for grant dollars. These needs still exist and are growing more acute each day. The current loan program which was intended to replace the grants does not, in my opinion, provide enough assistance to the small communities to make these wastewater improvements "affordable". Lack of these improvements has essentially prevented any commercial or industrial growth in these areas, resulting in a negative impact on the creation of new jobs. It has also left Trumbull County with many areas with failed or inadequate "on-site" treatment systems, resulting in the pollution of ditches, streams and water wells.

Enclosed you will find Table I which lists examples of wastewater improvement projects which have been prioritized in descending order.

Trumbull County also has many areas which are in dire need of Public Water Supplies. In most of these areas, water improvements are considered "unaffordable" due to geographics and location, population density and/or the high cost of purchase of water from the supplier, or need to construct new sources of water and treatment facilities. Lack of Public Water Supplies has also negatively impacted the commercial and industrial development of these areas and the corresponding creation of new jobs.

Enclosed on Table II you will find a list of examples of areas which currently have a need for public water improvements.

We have seen that in areas where we have been successful in securing outside dollars to assist in constructing these water and sewer facilities, a mix of commercial and diversified industrial development has occurred.

I therefore urge the members of Congress to consider as a high priority the creation of additional programs to provide financial assistance for the construction of water and wastewater facilities in areas where the need exists and where it is currently not affordable.

Submitted by: Charles H. Miller

Charles H. Miller, P.E.
Trumbull County
Sanitary Engineer

Trumbull County Sanitary Engineering Department
7500 Anderson Avenue, N.E.
Warren, Ohio 44484

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TABLE I

EXAMPLES OF WASTEWATER IMPROVEMENT PROJECT NEEDS
TRUMBULL COUNTY

PROJECT	LOCATION	ESTIMATED COST	COMMENTS
Kings-Graves Interceptor Sewer	Howland & Vienna Twps.	$1,250,000	Needed to eliminate obsolete, undersized treatment plant to allow additional commercial and industrial development.
McKinley Heights Interceptor & Collector Sewer	Niles, Weathersfield Twp. and Vienna Twp.	$1,500,000	Needed to alleviate existing pollution and allow commercial and industrial growth.
Kinsman Sewer Improvement	Kinsman Twp.	$2,000,000	Needed to alleviate existing pollution and allow for commercial and industrial growth.
Bazetta N.W. Interceptor and Collector Sewers	Bazetta Twp.	$2,000,000	Needed to eliminate existing pollution to a water supply and allow Dept. of Natural Resources to improve recreation facilities and commercial growth.
Evansville-Hilltop Collector Sewer	Weathersfield Twp.	$3,700,000	Needed to eliminate existing pollution.
Logan Avenue Interceptor Sewer	Liberty Twp. and Youngstown	$2,000,000	Eliminate obsolete and undersized pump station and allow for commercial and industrial development.
Newton Sewer Dist. #1 Collector	Newton Twp.	$1,200,000	Eliminate existing pollution upstream of a water treatment plant.
Bazetta S.W. Interceptor	Bazetta Twp.	$ 500,000	Needed to eliminate existing pollution and allow for commercial, industrial and residential development.
Golden Triangle Interceptor	Howland and Champion Twps.	$3,000,000	Eliminate individual treatment units and provide for commercial and industrial growth.

TABLE II

EXAMPLES OF WATER IMPROVEMENT PROJECT NEEDS

PROJECT	LOCATION	ESTIMATED COST	COMMENTS
Eastern County Water System	Howland Twp.	$5,500,000	Needed to eliminate failing private wells and allow commercial and residential development.
Liberty Township Water Improvements	Liberty Twp.	$ 750,000	Needed to correct pressure and supply problems, and permit commercial development.
Kinsman Water System	Kinsman Twp.	$1,500,000	Needed to provide potable water supply for existing commercial and residential, and permit commercial growth.
Howland-Niles Water Tank	Niles and Howland Twp.	$ 750,000	Needed to allow commercial and residential growth.
Brookfield Booster Pump Station	Brookfield & Hubbard Twps.	$ 55,000	Needed to allow expansion of water system, thus stimulating commercial growth.
Warren Twp. Water System Meadowbrook Heights	Warren Twp.	$ 500,000	Needed to eliminate failing and poor quality water wells.
Brookfield Elevated Storage Tank	Brookfield & Hubbard Twps.	$ 750,000	Needed to replace deteriorated storage tank and allow expansion of the system.

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ROCCO RUSSO
ROBERT CARCELLI

Public Works & Transportation Committee
Congressman Glen Anderson - Chairman

Dear Members & Staff:

I am Martin J. O'Connell, President of the Greater Youngstown AFL-CIO. I would like to convey my appreciation to you as well as to Congressman Traficant for conveneing this hearing in the Mahoning Valley.

Needless to say, communities such as ours, very old and with a high rate of unemployment, face a dire and extremely urgent need to recognize their decaying infrastructure. Our community is one in which local taxpayers funded many projects through out the United States with their tax dollars and received very little rate of return for the use of their hard earned funds.

Full well relizing that the local governments in the Mahoning Valley must learn to operate as a regional group and must learn that what is:

A) Good for Mahoning County is good for Trumbull County.
B) Good for Warren is good for Youngstown.
C) Good for Austintown Township is good for Liberty Township.
D) Good for Levittsburg is good for Lowellville.

I am conveying to you the following list of projects that I personally feel will help the residents of the Mahoning Valley obtain and retain the industries to bring full employment with decent wages to all of its citizens.

1) The 7-11 Connector is needed to link both Communities.
    a) 17,000 Residents of Trumbull County work in Mahoning County.
    b) 21,000 Residents of Mahoning County work in Trumbull County.
2) Kings Graves Road Interchange must be completed as soon as possible.
    a) The viability of the Airport for Industrial development is dependent on this project.

3) The Freeway System must be tied into the old Steel Mill properties on the East side of Youngstown and the Struthers-Campbell area.
   a) This land, though vacant, has no freeway access or very limited, thus prohibiting development.
4) Deteriorated conditions and immediate need of renovation to Bridge System is very obvious.
5) Water System-lead lines and some wood lines need to be changed. Much of the system is undersized and money is not available to renovate or extend the system to expediate developement. Meander Water Treatment Plant needs approximately a 160 million dollar renovation. Neither Youngstown or Niles can afford this without the help of Federal Dollars.
6) Sewer System is inadequate now, with no monies for updating or expansion.
7) City Steam System is in constant need of repair as evidenced by steam leaks which cause tremendous inconvenience to the transportation system.

In conclusion Chairman Anderson, while commending your committee for its recognition and obvious concern of the infrastructure problems facing all communities, I am respectfully requesting that you place communities such as ours - old with a depleated tax base - as high as possible on any priority list that may be established for Federal Funding.

Respectfully submitted by,

Martin J. O'Connell
Presient
Greater Youngstown AFL-CIO Council

HOUSING PROBLEMS

Housing Now Newsletter Fall, 1989

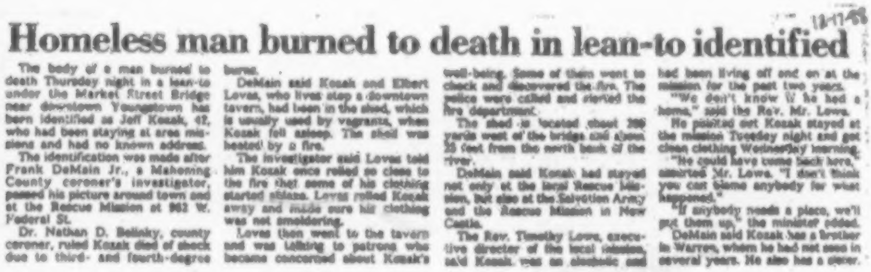
THE CATHOLIC SERVICE LEAGUE, INC.
5385 MARKET STREET
YOUNGSTOWN, OH 44512-2287
TELEPHONE: (216) 788-8726

MARY ANN O'NEIL, LSW
Social Worker

HOUSING PROBLEMS

Take welfare payments that are too low, add unemployment and underemployment and inadequate or lack of housing becomes a cold hard fact. The housing problem transcends age and race.

IT IS A SOCIAL PROBLEM - Maslow stated there was a hierarchy of needs and that before we can be enriched and happy, we must have our concrete needs met ----- food-water-housing. You can't counsel someone about work or education if they are hungry and have no place to live. Inadequate housing effects everyone; the person who never worked, teachers, waitresses, mothers with young children, people on Social Security, the unemployed, college professors and it also effects you and I.



12-17-88

Homeless man burned to death in lean-to identified

The body of a man burned to death Thursday night in a lean-to under the Market Street Bridge near downtown Youngstown has been identified as Jeff Kozak, 42, who had been staying at area missions and had no known address.

The identification was made after Frank DeMain Jr., a Mahoning County coroner's investigator, passed his picture around town and at the Rescue Mission at 962 W. Federal St.

Dr. Nathan D. Belinky, county coroner, ruled Kozak died of shock due to third- and fourth-degree burns.

DeMain said Kozak and Elbert Lovas, who lives atop a downtown tavern, had been in the shed, which is usually used by vagrants, when Kozak fell asleep. The shed was heated by a fire.

The investigator said Lovas told him Kozak once rolled so close to the fire that some of his clothing started ablaze. Lovas rolled Kozak away and made sure his clothing was not smoldering.

Lovas then went to the tavern and was talking to patrons who became concerned about Kozak's well-being. Some of them went to check and discovered the fire. The police were called and alerted the fire department.

The shed is located about 200 yards west of the bridge and about 25 feet from the north bank of the river.

DeMain said Kozak had stayed not only at the local Rescue Mission, but also at the Salvation Army and the Rescue Mission in New Castle.

The Rev. Timothy Lowe, executive director of the local mission, said Kozak was an alcoholic and had been living off and on at the mission for the past two years.

"We don't know if he had a home," said the Rev. Mr. Lowe.

He pointed out Kozak stayed at the mission Tuesday night and got clean clothing Wednesday morning.

"He could have come back here," asserted Mr. Lowe. "I don't think you can blame anybody for what happened."

"If anybody needs a place, we'll put them up," the minister added.

DeMain said Kozak has a brother in Warren, whom he had not seen in several years. He also has a sister.

IT IS A HEALTH PROBLEM:

A) *I have clients who have had heart attacks and were prescribed hydrodural patches. The client cut the patches in half and used them two days instead of one to save money. I had a lady last week, who quit taking her heart medication because she couldn't afford it. There are people who were over income for Medicaid but did not earn enough to pay their housing costs and medicine - they had to set priorities.*

We have a newspaper article showing the effects [illegible] had on one woman. It tears your heart to see these people struggle. And yes, some are in a finaicial mess through their own fault - but the people I see most of the time are doing the best they can with the money they have.

B) There are many types of homeless people. Some could be kept off the streets by building more shelters but it is not the answer. It won't help the mentally ill who are deinstitutionalized from our state mental institutions. They need care to live and function on a daily basis. Some are happier on the streets. There are homeless people I've placed in decent housing several times and they are back on the streets where they want to be. They probably do not and would not want permanent housing. Should we force them to accept our help?

C) The Youngstown Warren Area ranks 51st nationwide in numbers of children and women of child bearing age who live in pre 1950 housing. This exposes them to more lead based paint and the dust as it deteriorates. 12-16% of the pregnant women have lead levels above 10 which placed these babies at risk for decreased gestational age, low birth weight and problems with neurological development.

Picture of kitchen in poor household, where priorities had to set for health care rather than housing.

IT IS A FAMILY PROBLEM:

People all over the United States are ***"doubling up"*** *because of lack of housing. They are living with family and friends and sometimes people they hardly know or in shelters in their desperate need to survive. This causes stress in the family relationship and stress on the families themselves. Overcrowded conditions have a negative impact on family life.*

Diedra Locke, 26, and two of her children, Deandre, 8, l and Delaiondria, 7, aren't leaving their condemned, unheat apartment at 3147 Prospect Ave. because Locke is afraid building will be looted if it's left vacant. Some 20 adults a 20 children are living in the four-story, 44-unit building, wh residents say has been without heat since Thanksgiving.

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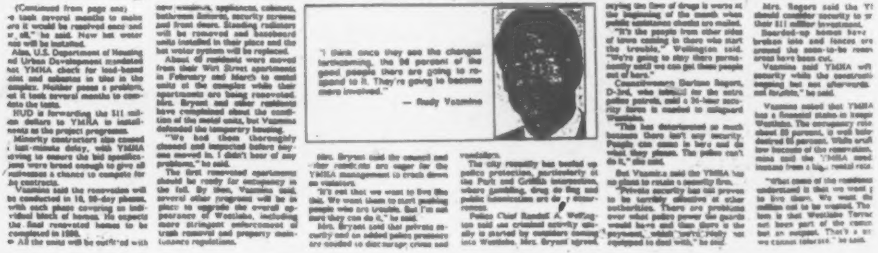
YMHA hopes $11 million Westlake renovation will reverse decay



(Continued from page one)

IT IS AN ECONOMIC PROBLEM:

For the People:

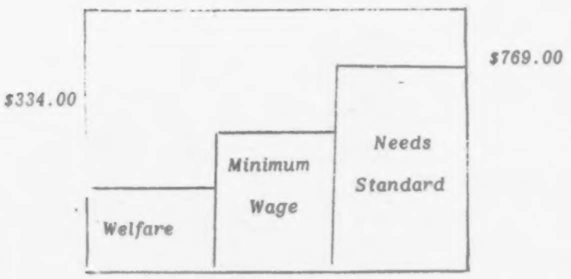
As I walk around our city, I see empty spaces where homes once stood. I wonder, where did the people go? We have people coming to the agency who live in cars and wonder if they can receive food stamps since they have no kitchen. They need milk for a baby and a tank of gas. When I ask, "Why do you come to Youngstown," they answer there is no help down South. There are more agencies who are willing to help here and the people are coming to get that help. As noted in the statistics, many of our homeless come from other counties or states.

A typical budget for a family of three:

$250.00	*Rent (includes water & gas)*
45.00	*Electric*
21.00	*Telephone*
13.00	*Soap & paper products not purchase by food stamps*
$329.00	

(No newspaper - car - gas)

$334.00	*Welfare payment*
-329.00	*Payment for bills*
5.00	*Balance*



GRAPH OF MONEY AVAILABLE

'It's not a pretty place to live'

Renovation set to begin at Westlake

By Tim Roberts
Vindicator staff writer

The long-delayed $11 million renovation of Westlake Terrace Homes has finally been set to begin in July, giving Youngstown Metropolitan Housing Authority officials and Westlake tenants hope that the declining standard of living at the run-down housing project can be reversed.

Years of neglect have turned one of the country's oldest housing projects into a deteriorating slum. Ironically, Westlake was built 48 years ago as an alternative housing to the squalid tenements and shanties of the "Monkeys Nest" neighborhood on the south side of West Federal between Westlake Crossing and Worthington Street.

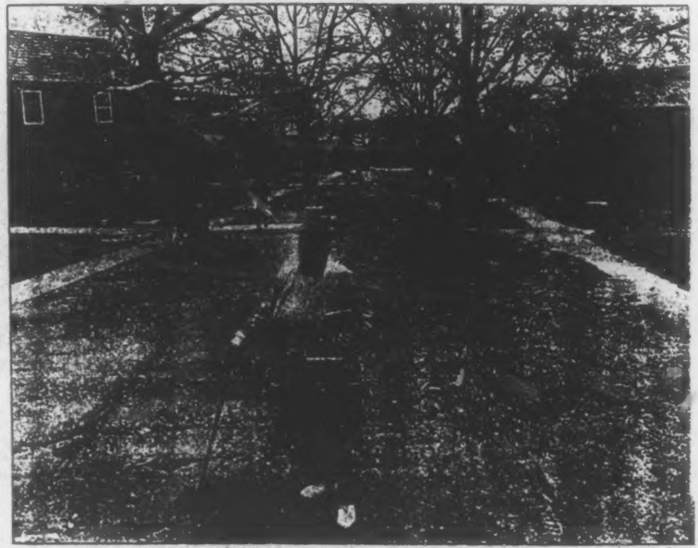
When completed in 1940, the 600-unit complex on the north side of West Federal was hailed as the solution to the growing problem of housing the poor.

"The greatest benefits are expected to be indirect, through improvement of areas which now breed crime, disease, dependency, delinquency," a Vindicator editorial said at the time.

Westlake has come full circle. The startling physical deterioration assaults the senses.

Broken glass litters the yards and sidewalks while graffiti taints the faded brick buildings. Vacant apartments are broken into and used as makeshift garbage dumps. Trash overfills the regulation garbage bins. The stench from the garbage is overwhelming.

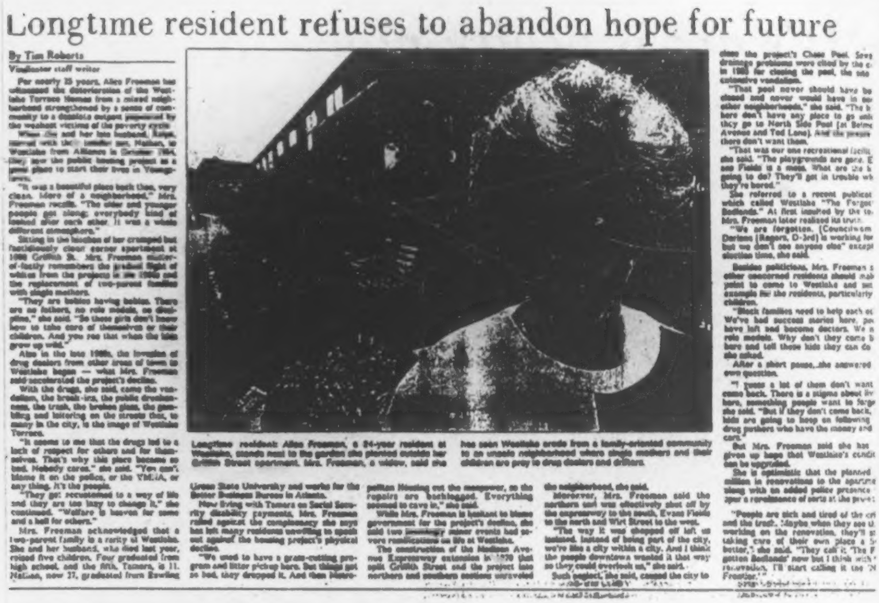
The emotional malaise of the residents also is easily seen. A walk along Griffith Street on a



The Vindicator / Bob DeMay

Woebegone Westlake: Mabel Bryant, Westlake Terrace Tenants' Council president, makes her way along a muddy stretch of land separating apartment complexes in Westlake Terrace's Griffith-Wirt streets section. Residents had complained that cars roared through the stretch that once had been grass covered. A chain link fence has been installed where Ms. Bryant is standing to cordon off apartments on the right. Those units will be some of the first to undergo extensive renovations.

BEFORE REHABILITATION



Longtime resident refuses to abandon hope for future

By Tim Roberts

Vindicator staff writer

As I walk through the projects, I see grafitti on the building the absence of grass in the yards and broken bottles scattered in the streets and I ask myself, "Would I want my family or my grandchildren to live here?"

We need to monitor subsidized housing as they did 25 years ago. I believe it costs less to pay one person to monitor the conditions than to rehabilitate the apartments. (They used to have a person visit each apartment on a regular basis and check the total apartment. Tenants were not allowed to hang clothes, etc., on the banisters and collecting junk or clutter was not allowed. Extra people were not allowed to move in).

Also, I feel tenants whose rent is less than the amount allowed by Section 8 should not be given the difference in cash. This money can be used to help more people.

HOPE

Some effort is taking place. Our agency is a part of the HOPE Program - Home Ownership Protective Effort. We work to assist people whose homes are in danger of foreclosure and are FHA guaranteed loans.

Take, for example, the Green Family. Mr. and Mrs. Green are in their 40's. They have three children. Mr. was employed by his company for 16 years during which time the couple purchased a home. Things were going well until Mr. Green was laid off. His temporary layoff became permanent. He exhausted his unemployment benefits. Reluctantly, they entered the Welfare System. Mrs. obtained part-time employment until she began to experience kidney problems. Mr. had a heart attack and recoverd sufficiently to continue his search for employment. He finally was hired at his original place of employment and he is happy to be there. However, he was seperated from the company over a year and had to start over as a new employee at a wage much lower than he had earned previously. I realized they were new to the helping system. I referred them to Salvation Army for assistance with their electric bill to avoid a disconnection and to the Welfare Department for help with their gas and water bill. I counseled them regarding generic medication to enable them to save on medical costs and assisted them with a food order. I, then worked out a payment schedule with their mortgage company which would enable the family to stay in their home. I worked out a budget with the family and suggested counseling if they continued to feel stress. They are eligible for free counseling because of their income.

It's difficult for people who have worked all of their lives and raised their family and lived independently to walk into an office and bring their economic problems and bear their lives to you. Most of the families I see are experiencing problems through no fault of their own. Our HOPE clients are all ages, some 60 years of age and some in their 20's, they live in Youngstown, Boardman, Canfield and in every part of our county. They are black and they are white and Hispanic.

On the positive side, Mahoning county has agencies willing to assist with food and cltohing and some utilities. However, there is too great a description between the Welfare and minimum wage and the needs standard.

Unemployment is bad! But you're still affiliated with the company and probably receive some benefits. Underemployment is terrible! When we have two parents working for minimum wage at fast food chains while juggling children and receiving no health insurance, is it any wonder why Welfare looks so good to them? The Healthy Start Program and it's free prenatal and infant care is a good beginning, as is WIC and Day Care. Once the families move into-the Welfare System, they're scared of losing the medical, stating they are afraid they'll get sick. And the cycle begins.

FOR THE GOVERNMENT *- And everyone*

The government is already spending billions on housing - in it's efforts. Let's go a step further - let's double the numbers of our subsidized housing and monitor their care and use. If we don't, we're all going to pay more in social services and the judicial system.

The housing problem is an imeptus which gives other social problems a start - like an incubator which helps them grow.

The statistics are staggering, the money necessary is astronomical but remember no matter what numbers you believe are correct, these are people - and as long as our citizens are without adequate housing, our job is not complete.

HOMELESSNESS SURVEY FACT SHEET

- * The survey was conducted by 20 agencies and organizations from November 14, 1988 through December 13, 1988.
- * The survey results establish a minimum number of persons experiencing homelessness; the survey does not attempt to count all of the homeless individuals in the Youngstown area.
- * 389 people indicated on behalf of themselves and/or their family, that they had been homeless within the preceding year.
- * The survey respondents represent 609 homeless people: 313 adults and 269 children under 18.
- * Of the 269 homeless children, 127 were 5 years old and under, 197 were 10 and under.
- * 108 respondents were single males; 99 were single females.
- * 115 respondents were single women with children; 4 were single men with children; 14 were couples with children.
- * 33% of those stating the duration of their homelessness were homeless for less than one week.
- * 46% of those stating the duration of their homelessness were homeless for two weeks or less.
- * 63% of those stating the duration of their homelessness were homeless for one month or less.
- * 24% of those stating the duration of their homelessness had been homeless for more than two months; 9% had been homeless for more than a year.
- * Only 33% of the respondents stayed in a shelter.
- * 17 individuals and families resorted to living in an abandoned building.
- * 222 individuals and families chose to "double up" with family or friends.
- * 6 single men and one woman lived in a car or truck while they were homeless.
- * 25% of those responding indicated that they had worked in the last twelve months.
- * Factors cited as cause of homelessness:

30.3% - Inadequate income for rent or utilities
18.6% - Domestic Violence
12 % - Loss of Job
11 % - Housing Uninhabitable
10.6% - Family/marital conflicts
8.6% - Eviction
6.6% - Fire
6.6% - Substance Abuse
4.1% - Mental Illness

The Jack and Justine Wheeler family in front of their home.

For the Jack Wheeler family, the bad news came in the winter of 1981. After spending 16 years as an electrician, Jack was told he would be laid off indefinitely — and possibly permanently.

Two years went by and still there was no hope of his being rehired. Jack's unemployment benefits were exhausted. His wife Justine's job just wasn't bringing in enough to make ends meet for them and their three children. And his occasional success at finding part-time employment wasn't enough either.

As a result, the Wheelers were on the verge of losing their home. They were three months behind in their $475-a-month mortgage payments and received a foreclosure notice from the bank. They had already depleted their savings and sold one car to meet their obligations.

That's when the Wheelers really needed **HOPE.**

HOPE stands for Home Ownership Protective Effort, a non-profit program designed to help unemployed persons and their families who are having trouble meeting mortgage and utility payments and who risk foreclosure or interruptions of service.

At no charge to client families, **HOPE**'s trained counselors help analyze and evaluate their financial situation. Together they devise a payment plan that will use the family's resources most effectively. In the case of severe and immediate financial need, **HOPE** can also supply families with food from their own or an area food bank.

Counselors help the client families learn how to budget, meet mortgage payments, pay the utilities and get back to work, staying with the families until they are self-sufficient. Often, that means providing employment counseling, as well.

Most referrals of families in need come from lending institutions, utilities, private mortgage insurers, mortgage investors and the Federal Housing Authority (FHA), who vest negotiating powers in **HOPE** rather than go through a costly foreclosure or collection process.

The principal sources of **HOPE**'s revenue are these same lending institutions and utilities, who agree that it is only right that they, who benefit from **HOPE**'s services, too, should share the cost of the professional counseling.

The Wheelers admire the home they almost lost.

The **HOPE** program, administered by Housing Opportunities, Inc., a non-profit corporation with headquarters in McKeesport, PA, has been helping people keep their homes — and their pride — since 1983.

[illegible]

After helping Jack and Justine Wheeler review their situation, the **HOPE** counselor immediately requested a loan from Housing Opportunities' Revolving Loan Fund to bring the Wheelers up to date on their mortgage and stop the foreclosure proceedings.

The loan was approved and a repayment schedule, which would not begin until the Wheelers were back on their feet, was worked out. The family received some badly needed food from the Housing Opportunities food bank, and at Christmas, Housing Opportunities was able to supply the three Wheeler children with gifts.

Soon after, the Wheelers enjoyed a stroke of good luck. Jack was hired as a full-time electrician by one of his part-time employers and the Wheelers were able to pay their mortgage and utility bills in full, plus $55 a month on their Housing Opportunities loan. Once again, the family could feel secure in their home and look at their future without fear.

[illegible]ing problem

More and more families have experienced the Wheelers' plight. Unemployment figures have remained high, and of those few who have been re-employed, many were forced to take much lower paying jobs in a new field. Most unemployed workers aren't as lucky as Jack Wheeler, who found a new job relatively soon in the field where he'd spent his whole working life.

But there is **HOPE**. Besides supplying delinquent mortgage counseling and acting as a liaison with lenders and utilities, **HOPE** stays with a family until they're really on their feet and self-sufficient. In most cases, it's a matter of months; for some, it may take years.

Once budgeting skills are taught and client families have set priorities for spending, it often becomes clear that their income isn't enough to cover their obligations. So the **HOPE** counselor contacts creditors, negotiates payment arrangements, and may advise families to sell unnecessary possessions in an effort to increase income.

Of course, the best way to do that is to find employment. All family members are encouraged to find jobs, and many families are able to keep their homes because spouses of unemployed workers have found part-time employment.

While encouraging these short-term solutions, the **HOPE** counselor also addresses the long-term problem: workers who probably will not be recalled to their jobs. A counselor may direct unemployed clients to the testing resources of local educational institutions and help them enroll in academic and vocational training programs to increase their prospects for self-sufficiency.

In many cases, mortgagors are referred to government programs they might be eligible for — some clients receive federally sponsored fuel grants and food stamps — and referrals are made to state public assistance and medical assistance programs. Clients are also directed to the resources of private community organizations, including mortgage assistance programs, home repair assistance offered by churches, lodges, social clubs and community food banks.

When necessary, family members are referred to agencies for help with emotional, marital or family problems created by the stress associated with long-term unemployment.

ar
OPE

For most Americans, the massive job lay-offs of the early 1980s were simply the stuff of newspaper and magazine articles, radio and television newscasts.

But in many areas across America, the recession hit home especially hard for workers who had expected to spend their working lives with one company, only to find themselves laid off in groups of thousands, month after month.

They were the major casualties of America's economic slowdown. Once comfortably enjoying the American dream, they were suddenly faced not only with the loss of their jobs but also with the loss of their homes.

HOPE found a way to enlist the help of those in the best position to ease the burden on their neighbors — corporations, lending institutions, private mortgage insurers, the FHA, mortgage investors and utility companies.

It is they who have helped **HOPE** become a financially viable program by underwriting the costs of counseling and showing true patience and understanding for the families they

With
sincere th
for you
kindne

Hundreds of families have written letters in appreciation of HOPE.

serve. They feel that it is only right that they, who benefit directly from **HOPE**'s services, by avoiding potential defaults and losses, should share the cost of providing those services.

HOPE, then, is not a charity but a viable business proposition born out of a strong sense of community and compassion. With that kind of foundation, it should be no surprise that **HOPE** continues to grow.

HOPE has achieved a large measure of self-sufficiency.

Today a great percentage of its income is derived from earnings from the corporations, lending institutions and utilities who pay **HOPE**'s counseling costs.

However, there's still a large need. In fact, all the financial aid to client families comes from contributions from various "resource wells" in the community — corporations, schools, churches, small businesses, civic and social clubs, college fraternities and sororities, professional associations, and individuals.

To enlist their support, **HOPE** has created the **Adopt-A-Family Program** whereby groups and individuals can contribute funds on a monthly basis to meet the financial needs of a particular family in their area, until the family is once again self-sufficient.

The Adopt-A-Family Program usually lasts about 12 months — or as long as **HOPE** is working with the family. A family's financial need averages between $100 and $500 a month and continues until the counselor is confident that a family can maintain itself without further assistance from **HOPE**. Adopt-A-Family funds are used to cover the costs of mortgage payments, utilities, food and job training.

The program provides donors with the unique satisfaction that comes from helping their neighbors and from the rewarding knowledge that the basic unit of society — the family — is being prepared to renew its own contribution to the community.

It's difficult to live side-by-side with families in need without wanting to help. So if you — or any organization of which you are a part — would like to form a "resource well," please contact the **HOPE** office nearest you (addresses listed on back of brochure), and help **HOPE** keep finding a way.

Housing Opportunities
133 Seventh Street
P.O. Box 9
McKeesport, PA 15134
(412) 664-1590

Lutheran Housing Corp.
1967 W. 45th Street
P.O. Box 50910
Cleveland, OH 44102
(216) 651-0077

Youngstown Area Urban League
2516 Market Street
Youngstown, OH 44507
(216) 788-6533

H.A.N.D.S., Inc.
139 East 12th Street
Erie, PA 16501
(814) 459-1047

The Catholic Service League, Inc.
5385 Market Street
Boardman, OH 44512
216-788-8726

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Housing Opportunities Inc.

Opportunities Knock

WINTER 1990

Home Ownership Protective Effort...Good Business!

Pittsburgh National Bank has been a long time participant in the public/private partnerships established by Housing Opportunities, Inc. Pittsburgh National Bank is an active participant and supporter of the Home Ownership Protective Effort (HOPE) and the Earned Home Ownership Program (EHOP).

Roberta Bagnato is Manager of Centralized Collections and Vice President of Pittsburgh National Bank, Community Banking Division. A business administration graduate of the University of Vermont, she joined PNB and progressed through a variety of management positions to her present responsibilities. Among her many activities, she serves as an instructor in Real Estate Finance and Creative Collections for the American Institute of Banking.

Pittsburgh National Bank Vice President Roberta Bagnato.

A long time supporter and advisor to the Home Ownership Protective Effort, Roberta was honored in 1987 as HOPE Volunteer of the Year. She was recently interviewed by **Opportunities Knock**.

Is HOPE good business?

Roberta Bagnato: One of the problems that we bankers run into is consumer difficulties with their payment. And when they result in delinquency in their home mortgage, it is even of a greater concern.

Our expertise is in lending money, having it get paid back in a timely fashion; thus, earning a profit for our company, our shareholders. That is good business.

So anything that helps us to have loans paid on a current basis is also good business.

When real-estate, first-mortgage debtors, especially residential debtors, have some reason why they cannot make their mortgage payments on time, we are obviously not earning income from that asset. That debtor is then in a precarious position, as are we. Because the debtor is protected under laws which serve all consumers well, we cannot readily foreclose, pay off the debt and be done with it.

We really don't want to have our homeowner customers on the street looking for other ways to house themselves. That is also not good business. And it's not good for the community. HOPE comes to us and gives us a way to help the customer help themselves, which helps us.

The customer is delinquent; the customer is overextended and for whatever reason has had serious financial difficulties whether that be unemployment, underemployment, illness, death in the family, divorce; they are looking for alternatives. We are not good counselors in that regard because we cannot be an advocate for the consumer.

The HOPE program steps into this situation and says:

> *We'll take a look at it. We'll see what we can do with the consumer debtor to have them be able to pay you current and, if not, we'll tell you that too.*

The HOPE counselors are extremely well-schooled, well-versed: they know what is available to that customer debtor, whether it be food banks, revolving loans, job assistance, or energy assistance. They help them see whether they can afford to make that payment and help them with their budgeting. In most cases, the HOPE counselors are able to work with that debtor to allow for current payments within a certain period of time. We get our loan back on its normal course. We are then again making the money we need to make, a return on that asset. It's now an earning asset again. We are happy; the customer is happy; HOPE has helped us.

Does HOPE always succeed?

Bagnato: Let's say that for whatever reason, serious unemployment, serious underemployment, serious reduction in income caused by divorce, a customer can't get those payments current. HOPE works with the debtor to show it is in their best interest to sell the house, and work with them on alternative housing. The customer sells the house; our asset is paid. We lend the money again. Obviously, in our best interest.

In one out of ten cases, when the customer can't be helped, we'll still say "It's good business" because we have done everything in our power. And we know our foreclosure action will go forward much more smoothly than if we had done none of that.

Continued on page 2

Continued from page 1

We understand that internally at Pittsburgh National Bank there is a procedure — that before you go to foreclosure you make a referral to HOPE.

Bagnato: Basically, in all the portfolios we have a policy in place that when a consumer debtor tells us, for whatever reason, "I'm having trouble paying my bills. I can't do this. I can't do that," we automatically ask the customer if they will allow a HOPE counselor to work with them to see if there is a way to resolve the delinquency and save the house.

Tell us from a business person's perspective, are those referrals for HOPE, where you are paying the counseling fee, cost effective?

Bagnato: It is much more cost effective than foreclosure, attorney fees and the loss that we entail on every single home that we would eventually have to take to foreclosure.

In your relationship with Housing Opportunities and working with the counselors, and your staff working with our staff, are there any negatives? Are there any difficult areas?

Bagnato: The only difficult areas I see are two. And the first is that, unfortunately, not every consumer can be helped. I would personally like to see them all be helped, because that's good business. I don't have to foreclose. I don't have to lose money on the sale of a piece of real estate that I really didn't want to take in the first place.

The second thing is much more individualized. And that is that it seems at times that Project HOPE doesn't have enough support. There aren't enough alternatives for the consumer debtor. There could be more opportunity for — additional food bank, additional job assistance programs — more resources.

And I think that the job of Housing Opportunities then is to make sure that all the lending institutions in the greater Pittsburgh area understand the cost-beneficial approach and the cost benefits that we've enjoyed by having the relationship with Project HOPE.

That would certainly help them get more income to probably do an even better job.

The marketplace and employment profile for an industrial area like Pittsburgh is certainly improving... Is there still a need?

Bagnato: There is still a need. There are always going to be unemployment and underemployment situations, maybe not as many now as we have had over the last three years. But there is always going to be divorce. There is always going to be unemployment from other reasons, either corporate restructurings: where we have seen a lot less unemployment on the blue collar side, we're seeing more of it on the while collar side from some of the major corporate headquarters leaving Pittsburgh.

There are always going to be some difficulties. Overextension today is a major concern because the proliferation of unsecured credit has helped some homeowners to get "topsy turvy" with what's important: you know, pay the unsecured, pay the secured. So, HOPE has a place in all those situations.

Anything else?

Bagnato: I would just like to reiterate that we have enjoyed our experience with HOPE. We find the program to be very cost effective. And it's been good business for us. The number of foreclosures has been reduced. And that means less loss, more income coming in, earning assets. And that translates into earnings for the corporation. And I would just like to thank HOPE for being there when it was needed to help us in that endeavor.

We hear you saying that there is a nice fit between the bank's business goals and its civic goals. The two seem to be compatible.

Bagnato: It is a very mutuall beneficial relationship when th bank and HOPE can get together a way that benefits the consume that benefits the bank, that benefi the economy of the area by seeing it that there is a stable homeown base. It also benefits future growt for Western Pennsylvania b allowing employers to say:

> *This has a good economic base, good homeowner base, maybe that's a good place, good workers, good place for us to open up. Obviously it benefits the bank because we get another customer or another group of customers.*

I think that business can be a littl short-sighted by not realizing tha everything we do can benefit us an the community if it's approache properly.

Obviously we wouldn't be wit HOPE if it didn't make dollar-and cents sense; and, it does.

Network News

Housing and Neighborhood Development Services (HANDS) of Erie, Pa. has opened three renovated multi-family units for disabled, homeless individuals. A 30 unit building financed by the Pennsylvania Housing Finance Agency was the first project of its type to have rents subsidized through Site Specific Section 8 Certificates.

◆

Denver Radio Station KOA is supporting the HOPE Holiday Adopt-A-Family program through airing profiles of two HOPE families each day during their drive time morning news block. Area Coordinator Jan Griffith extends a special thank you to Sue Jiron and Mason Lewis of KOA Radio.

◆

Brothers Redevelopment has linked HOPE families to Share Colorado. This program offers families $30-$40 food packages in exchange for $12 and two hours of community service. Each Share package includes fresh meats, fruits, vegetables and packaged foods. This helps HOPE families free

Continued on page 3

Network News Cont'd

resources for mortgage payments and offers them an opportunity for helping others.

* * *

Northeast Denver Housing Corporation is pleased to report that their first HOPE consumer has gained employment using her self-taught computer skills...great example of the resource potential uncovered through the counseling program.

* * *

Housing Opportunities, McKeesport has enlisted the support of six area Pizza Hut Restaurants in support of the HOPE Food Pantry. Customers donating nonperishable foods at the restaurants receive discounts on pizzas. They can also contribute cash to the Food Pantry at these six locations.

* * *

November 27-29 featured HOPE training in Houston for the newly organized **Housing Opportunities of Houston** and **Neighborhood Housing Service of Dallas** our newest HOPE franchise agency. Conducting the training were: Rachel Conrad, Rita Randel, Jim Richardson, and Janet Winton of Housing Opportunities of Fort Worth.

* * *

NHS of Dallas, also our first EHOP franchise agency, is into a wide variety of development activities including: CDBG funded revolving loan fund for home improvements, thirteen lot affordable housing new construction, an eighteen acre site with infrastructure development and new construction, purchase of HUD foreclosed properties and a variety of mortgage assistance programs.

* * *

United Way of Chicago recently convened a meeting attended by nineteen nonprofit agencies to discuss replication of HOPE and EHOP in Chicago. Representing Housing Opportunities were: Area Coordinator Rick Kemm and Marketing Vice President Peter Halbin.

* * *

Brighton Center and Northern Kentucky Community Center staff, along with Area Coordinator

Continued on page 4

...Running Out Of Time, And HOPE Was There

When Mrs. Henner* called Housing Opportunities of McKeesport for assistance, she was running out of time. She had received her first notice of Sheriff's Sale, the date of which had already been posted. Prior to her call to Housing Opportunities, Mrs. Henner had sought out other assistance in an effort to save her home: HUD assignment, denied; Social Security, too young; disability, not disabled enough.

The Henners represent one of our extended families as it includes three adults and one child. The mortgagor is widowed and houses her two adult daughters, one of whom is divorced and has her own four year old daughter. One of Mrs. Henner's daughters has medical problems and was therefore receiving assistance from the Department of Public Assistance. The other daughter was struggling to meet her own monthly expenses in addition to supporting her daughter. Although the family displayed strong family unity, which proves to be a great asset in facing their individual difficulties, the daughters were not in a position to help their mother with her mortgage and utility delinquencies.

Despite having undergone heart surgery at one time, Mrs. Henner worked a full forty-hour week with occasional overtime at a department store located a good distance from her home. Her job, in addition to not supplying her with enough income to maintain her mortgage, placed a drain on her income due to gasoline and car repair expenses.

Before entering the HOPE program, Mrs. Henner had tried to arrange for partial payment with her lender. Although she would have been able to raise enough money to pay half the delinquency, she had insufficient income to manage the payment-and-a-half monthly payment required in a forbearance arrangement.

Mrs. Henner was reluctant to sell her home because of the many years of equity established and also because she could not afford the cost of renting an apartment. Locked-in and facing foreclosure, Mrs. Henner turned to the HOPE program.

Our counselor learned about a department in her mortgage corporation that handled "special" hardship cases. Through this program she was able to negotiate a payment arrangement which waived $525 of Mrs. Henner's attorney fees. Mrs. Henner was then able to raise half the balance needed to save her home. The rest was obtained from our Revolving Loan Fund. Without the Revolving Loan Fund loan she received from HOPE, Mrs. Henner would never have been able to cure her default and more than likely would have lost her home. Today, Mrs. Henner is current on her mortgage and is making monthly mortgage payments. In fact, she has already made payments on her Revolving Loan.

Even though the program has helped her through the "emergency action" stage of foreclosure prevention, HOPE is still continuing their work with Mrs. Henner. Mrs. Henner has been able to manage her monthly payments through renewed hope and a commitment to the HOPE program, and also because of the money management skills taught by her HOPE counselor.

To help them through more difficult times and with large expenses, the HOPE counselor has been able to obtain community resources for the family. Also, under the advice of her HOPE counselor, Mrs. Henner has made payment arrangements with her utility companies. In addition, HOPE continues to help Mrs. Henner to save money towards her mortgage and her utility payments by providing her with food from the Housing Opportunities Food Pantry and Round-Up Program coupons.

Once again HOPE was there to preserve home ownership.

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*Names and some specific circumstances changed to protect consumer privacy.

Network News Cont'd

Rick Kemm participated in the Kentucky Housing Corporation's annual Governor's Conference November 16 and 17. KHC Executive Director John Martinez spoke to the key issues of affordable housing, homelessness and building public-private partnerships.

* * *

Better Housing League, Cincinnati administers the Ohio Housing Finance Agency's Single Parent Home Ownership Program which has prepared 160 families for home ownership through FHA mortgages at 7.99% through participating lenders.

* * *

Housing Opportunities, McKeesport is one of eleven programs across the nation to receive a grant from the **Ralston Purina Almond Delight Fund** to assist low-income families meet their energy needs. The $7,000 grant was provided through the National Fuel Funds network.

Recent Housing Opportunities National Advisory Committee Meeting in Washington, D.C. Included: (left to right) Bonnie Caldwell, (Public Securities Association), Thomas L. Hamlin, (Fannie Mae), representing Judith Dedmond, (Southwest Region Senior Vice President), James P. Butler, (Housing Opportunities), Richard Tucker, (Director, Office of Community Investment, Federal Housing Finance Board), and Committee Chairman, John J. Knapp, Attorney, (Powell Goldstein Frazer and Murphy).

Housing Opportunities Inc.

133 Seventh St./P.O. Box 9
McKeesport, PA 15134
(412) 664-1590

Roy V. Gavert, Jr. Chairman
James P. Butler, President
Peter B. Halbin, Editor

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Founded in 1975, Housing Opportunities provides a variety of services and programs that expand and protect home ownership and revitalize urban neighborhoods.

A not-for-profit corporation — An equal opportunity employer

EQUAL HOUSING
LENDER

INFRASTRUCTURE NEEDS

FOR: Trumbull County Townships, Trumbull County, Ohio

PREPARED BY: Trumbull County Township Association
Richard Orwig, Chairman, 2338 Stillwagon Rd, Warren, Ohio 44484
(216) 652-6625

1. Culvert and sleuce pipe are deteriorating faster than we have funds available for repair.
2. Roads are deteriorating faster than our budget can let us repair them.
3. Our budgets lost money on re-evaluation of property in township.
4. Levies are almost impossible to pass for road improvements because of the school and fire department needs.
5. The elimination of revenue sharing put a crimp in our plans to improve the roads and ditches.
6. Machinery and equipment repair hamper our plans for the reapir of roads and culverts and ditching program (old equipment).
7. The continuing escalating cost of insurance.
8. Continuing escalating cost of material and equipment.

Economic development has been hindered in Trumbull County due to inadequate water systems in townships.

Repaving is done every 16 to 34 years because of lacking of funding (see listing):

Howland Township - 16 years
Warren Township - 18 years
Bazetta Township - 30 years
Weathersfield Township - 34 Years

State of Ohio says that paving should be done every 7 to 10 years.
Previous storm sewers in most areas were not designed to handle the size and quantity of development that presently exists. Sewers are overtaxed and in many cases, prohibit future development.
We had major storm sewer studies done in 1986 and 1987 call for upgrades in four areas costing four million dollars and there is no funding for this.
All of these programs will create jobs, growth, cleaner environment and a better life for all of our citizens.

Richard Orwig

Richard Orwig, Chairman of
Trumbull County Township Association

Office of
The Trumbull County Engineer
EDWARD E. RYSER, P.E.
County Engineer

650 NORTH RIVER ROAD, N.W.
PHONE: (216) 399-8396 WARREN, OHIO 44483

OHIO

JAMES G. GREEN, P.E.
Chief Deputy Engineer

ROBERT E. BORBER
Superintendent of Maintenance

ATTY. DONALD FORD, JR.
Administrative Assistant

JANICE KUSZMAUL
Supervisor of Tax Map Dept.

CONGRESSIONAL PUBLIC WORKS
COMMITTEE

The office of the Trumbull County Engineer has a sever funding problem.

Our office maintains 464 miles of road within Trumbull County and 515 bridges. The Ohio Department of Transportation has established an average life for bridges at fifty (50) years. The average age of our structures is thirty nine (39) years. We are very rapidly running out of time. One fifth or twenty percent (20%) of our structures are currently posted with a load limit of less than the legal load limit. About one half of our bridges are structurally deficient, either by load limit, narrow, insufficient waterway, deterioration, etc.

Our 464 miles of county road are also a critical condition. The Ohio Department of Transportation recommends that asphalt roads be resurfaced on a ten (10) year cycle. Past history tells us that our roads are being resurfaced on a sixteen (16) year cycle. This situation causes extremely rough roads, chuck holes, bad drainage, narrow and under capacity roads making for an unsafe road system. Similarly this impacts on signing, guard rail, signal systems, culverts, roadside drainage and pavement markings.

The above situation exists even though we have utilized an average of over 1.2 million dollars of federal funding on our county road system per year.

I have enclosed a highway system needs booklet which was developed by our office when we attempted to secure additional automobile registration fees.

Hopefully your committee will recognize local government's need for additional funding.

Very truly yours,

Edward E Ryser
Edward E. Ryser, P.E.
Trumbull County Engineer

INTRODUCTION

1. What are the Duties of the County Engineer?

All maintenance, repair, widening, resurfacing, reconstruction, and construction of pavements and bridges on the county highway system is the County Engineer's responsibility. This includes traffic control, safety, mowing, and snow removal.

2. How are the County Engineer's obligations funded?

Basically, bulk of the Revenues available to the County Engineer are derived solely from Motor Vehicle Registration and State Gasoline Taxes.

By law, the use of said Funds is absolutely restricted:

> "for the planning, construction, reconstruction, improvement, maintenance, and repair of roads and highways, and maintaining and repairing bridges and viaducts."

The County Engineer receives no monies from Real Estate Taxes.

Currently, the automobile registration fee in the unincorporated area of Trumbull County is twenty ($20) dollars.

The fee in the cities and villages of Cortland, Girard, McDonald, Niles, Newton Falls, Warren, and West Farmington is twenty five ($25) dollars.

3. Why does the County Engineer require additional monies?

The last time the County Engineer received an increase in revenues was in 1980 when the State Legislature increased the Vehicle Registration.

The State Legislature has recognized the dire need of the County Engineer for additional revenues to fulfill the obligations mandated by law.

Last year, 1987, the Legislature enacted statutes authorizing Counties to enact Permissive Motor Vehicle License Taxes.

The Trumbull County Engineer will be requesting the Commissioners enact two (2) phases of said tax for the benefit of the County Engineer, the Municipalities, and the Townships.

Each of said phases provides for a five ($5) dollar increase or a total of ten ($10) dollars.

AREAS OF NEED

- Bridges
- Roads
- Safety Upgrading
  - Guardrail
  - Signs
  - Signals
  - Culverts
  - Roadside Ditches
- Equipment Replacement

BRIDGES

- 515 County Bridges
- $ 90,000,000
  Replacement Cost
- Design Life = 50 years
  Average age of our bridges = 39 years
- Replacement Goal
  11 bridges/year
- Maintainence ($ 346,000)

Annual Need	=	$ 2,271,000
Expenditures **• Including Federal Dollars**	=	$ 1,246,000
Annual Shortage	=	$ 1,025,00C

ROADS

- 464 Miles of County Roads
- $ 116,000,000 Replacement Cost
- 404 Resurfacing 10 year cycle
- 405/409 Surface Treatment, 5 year cycle

Annual Need = $ 1,856,000
Expenditures = $ 765,000
• Including Federal Dollars
Annual Shortage = $ 1,091,000

SAFETY UPGRADING

- 100,000 L.F. Guardrail
- 6,800 Signs
- 27 Signal Systems
- 1,539 Culverts
- 928 miles of Roadside Ditches
- 464 miles Pavement Marking (Center & Edgelines)

Annual Need	=	$ 542,000
Expenditures	=	$ 344,000
Annual Shortage	=	$ 198,000

EQUIPMENT REPLACEMENT

	Annual Cost
• 11 Autos & Vans 7 Year Replacement 1987 Cost ($ 10,000)	$ 15,000
• 33 Pick-Up & Crew Trucks 8 Year Replacement 1987 Cost ($ 15,000)	$ 60,000
• 36 Dumps, Semi-Trucks, Specialized Trucks 10 Year Replacement 1987 Cost ($ 50,000)	$180,000
• 46 Unlicensed Equipment 15 Year Replacement 1987 Cost ($ 56,600)	$170,000
• 7 Trailers 10 Year Replacement 1987 Cost ($ 17,000)	$ 12,000
Annual Need	$437,000
Expenditures	$ 189,000
Annual Shortage	$248,000

NEEDS SUMMARY

•	Bridges	$ 2,271,000
•	Roads	$ 1,856,000
•	Safety Upgrading	$ 542,000
•	Equipment	$ 248,000
	Annual Needs	$ 4,917,000
•	Expenditures	$ 2,544,000
•	Shortfall	$ 2,373,000

HIGHWAY SAFETY VS. LIABILITY

Increased Highway Safety

- "Safer Highways for Our Traveling Public"
- 163 Traffic Fatalities, Since 1981

Decreased Liability

- $ 12,000,000 in Claims Against County Since 1981
- Less Of Our Funds Used For Legal Work And Judgement

WHAT HAS THE COUNTY ENGINEER BEEN DOING

- Traffic Safety
- Drainage Problems
- Equipment Replacement Plan
- Manpower Utilization
- Lower Staff Level
- Upgrade Tax Map Department

PROJECTS AND MATERIALS

1986 32% of Expenditures

CHOICES

- Do Nothing Else
- Additional Belt Tightening
- Seek Additional Funds
  - Road And Bridge Levy
  - User Fee Increase (Permissive License Fee)

DECISION

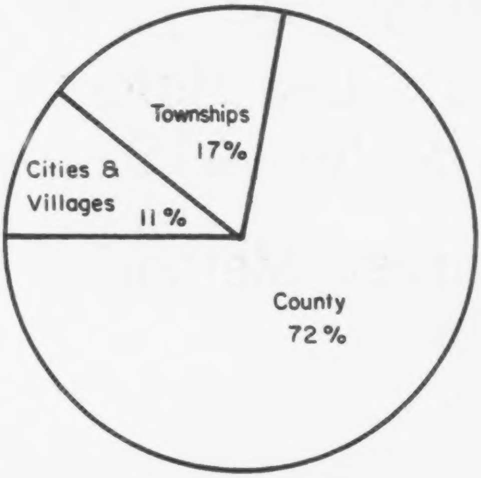
- Continue Belt Tightening
- Seek Additional Funds
  - User Fee Increase (Permissive License Fee)

WHY A USER FEE INCREASE?

- No Permissive License Fee For County Use
- Established By Our State Legislators H.B. No. 419
- Fairest Method

$10 USER FEE INCREASE

- $ 2,092,710 Total Revenue
- Division of Fee Increase



- Approximate Funding

County	$ 1,510,473
Cities & Villages	$ 227,882
Townships	$ 354,354

TOWNSHIPS SHARE OF $10 USER FEE INCREASE

TOWNSHIPS	APPROXIMATE 1986 REGISTRATIONS	PROPOSED APPROXIMATE ALLOCATION
Bazetta	4,939	$ 14,817
Bloomfield	1,040	3,120
Braceville	3,020	9,060
Bristol	3,039	9,117
Brookfield	10,448	31,344
Champion	9,164	27,492
Farmington	1,142	3,426
Fowler	2,931	8,793
Greene	873	2,619
Gustavus	1,067	3,201
Hartford	2,157	6,471
Howland	18,148	54,444
Hubbard	7,015	21,045
Johnston	1,941	5,823
Kinsman	2,045	6,135
Liberty	13,826	41,478
Mecca	2,598	7,794
Mesopotamia	1,896	5,688
Newton	4,665	13,995
Southington	3,590	10,770
Vernon	1,577	4,731
Vienna	4,187	12,561
Warren	7,656	22,968
Weathersfield	9,154	27,462
TOTAL	118,118	$354,354

MUNICIPALITIES SHARE OF $10 USER FEE INCREASE

TAXING DISTRICT	1986 REGISTRATIONS	PROPOSED ALLOCATION
Cortland	4,680	$ 11,700
Girard	9,267	23,167
Hubbard	7,600	19,000
Niles	17,585	43,961
Warren	40,587	101,468
Lordstown	3,916	9,790
McDonald	2,810	7,025
Newton Falls	3,795	9,488
Orangeville	254	635
West Farmington	535	1,338
Yankee Lake	124	310
TOTAL	91,153	$227,882

WHAT WILL YOUR MONEY BUY?

Your $ 2,092,710 Will Provide:

- 5 More Bridges/Year
- 17 More Miles Of Resurfacing/Year
- 3 to 4 More Safety Upgrading Projects/Year
- More Reliable Equipment

The County Engineer Will Commit These Funds To Capital Improvements

TO SUMMARIZE

- Duty To Maintain Highway System
- Federal And State Standards
- Existing Needs $ 4,917,000
- Present Funding $ 2,544,000
- Annual Shortage $ 2,373,000
- More Efficient Use Of Funds And Manpower
- $ 10 User Fee Increase Provides $ 2,092,710
- Safer County Highway System

ACTION REQUESTED

- Request That Legislation Be Passed Establishing The $ 10 License Fee Increase In The County of Trumbull

WHEREAS, the Trumbull County Engineer, in order to properly maintain, repair, widen, resurface, reconstruct, and construct roads and bridges on the County Highway System is in dire need of additional funds; and

WHEREAS, the only practicable method available for said purpose is by a permissive license fee as authorized by Statutes enacted by the Ohio State legislature; and

WHEREAS, the County Engineer has determined that their is a urgent need to request the Commissioners of Trumbull County to pass a Resolution in accordance with O.R.C. 4504.15 for a permissive license fee of five ($5.00) dollars; and a Resolution in accordance with O.R.C. 4504.16 for additional fee of five ($5.00) dollars; and

WHEREAS, each of the Townships in Trumbull County will receive thirty (30%) per cent of said fees on all motor Vehicles registered within the un-incorporated area of each respective Township.

Now, Therefore be it resolved by the Trumbull County Trustees Association that:

1. We recognize the need of the Trumbull County Engineer for additional funds to maintain the roads and bridges on the County Highway System.

2. We further recognize that said funds, by law must be used for road and bridge purposes only.

3. We hereby endorse the enactment of Resolutions by the Commissioners of Trumbull County to complete the passage of said permissive license fees.

Passed the 3rd day of March, 1988 at a meeting of the Association of Trumbull County Trustees.

President

Helen Dubyak
Secretary

Presented by Hon. Daniel J. Sferra

Infrastructure Needs

for

The City of Warren, Ohio

"Committee On Public Works Infrastructure Hearing"
July, 16, 1990

Good afternoon.

It is my honor to be here today to testify before this committee as the Mayor of the City of Warren, with other officials from our area.

Warren, which is part of this Mahoning Valley, has had a very important history in the early economic development of our country. Warren and our neighboring communities historically have made large investments in the local infrastructure. And while we were growing and making large investments, our residents were paying taxes, which not only came back to our area, but went to other parts of our country which were not as industrialized and did not have the tax base of the communities in the Mahoning Valley.

Everyone is familiar with the loss of jobs and industry that hit Warren and the Valley in the 1970's and 1980's. Warren lost population for more than a decade, and with the loss of people, Warren was hit with a decreasing tax base. We have the same areas to service, plus new areas that need services with a decreased tax base. It has been very difficult to maintain the old infrastructure, while trying to attract new jobs and industry, which demand new infrastructure.

I have been watching closely the situation with the Savings and Loans in the Southwestern United States. Many of the Congressmen are saying that rest of the nation including our area are going to have to pay for this bailout. Taxes from our area have been going for decades to develop the Southwest. It is time that Congress pay special attention to our area, the area that has been one of the industrial backbone areas of our country.

We have great infrastructure needs so that we can maintain services to our existing industry and citizens. Warren has a drinking water system with water lines in areas that are over 70 years old. During the Winter when the ground freezes and moves, we have frequent line breaks on the old lines. Some old lines in residential areas are over 50 years old, and with the minerals that build up in the lines, water flow has been reduced. Warren does not have the resources to make the replacement of old lines that need to be made, nor do we have the resources to upgrade system capacities in areas that are undersized.

With the new EPA requirements, the City of Warren will be making large investments in the Water Filtration Plant. This water plant not only serves the citizens of Warren, but it also serves parts of Howland, Champion, Bazetta, and Warren Townships, and part of Lordstown Village. Even with the user fees(water bills) that the City receives, it will not be enough to make the major investments which will be needed in the system, especially the waterline replacements.

In the area of storm sewers, less than 50% of the areas in the city have adequate storm sewers or adequate capacity in the existing system. I would say that almost every area in the city has areas that need upgrading of the storm sewer system. The city does not have a source for funding for storm sewer infrastructure needs. Small amounts of funding are provided from our General Fund revenues, to take care of areas of critical need, but this is only a tempory patch for the system. About 5 years ago, we had a consultant do a study on the known repairs that were need to help alleviate flooding in the City, and at that time it was estimated that these repairs would cost over 10 million dollars. That number is even higher today.

Sanitary sewers are a high priority. Warren has been working for years to make improvements in this system. The "Red Run Sewer", a new interceptor sewer which runs from the north side of the city to the south end was completed about 10 years ago. This helped to alleviate flooding throughout the central parts of the city. There is still need on the east and west sides of the City to upgrade the sanitary sewer sytems. We have been working for years to eliminate illegal connections into the sanitary system and have made much progress in reducing storm water coming into our system.

There are other areas that we have great infrasture needs that the city does not have the resources for. We have sanitary sewers near the downtown, that area has sewers made of bricks, which require mintenance. These sewers need replaced. There are other areas in the city which the sewer capacity is at a maximum. These sewers need replaced with sewers of larger capacity. We have areas that need interceptor sewers built to relieve flooding. The "Grandview Interceptor" is an example of this. It will relieve the Southeast part of the city of sanitary sewer problems they have been having. We have the plans complete for this project, but no means to fund it.

Streets and maintenance are a year around effort. The City has enacted a $10 license plate tax to help fund a street maintenance program. We intend to use these monies to provide for the local match to generate funds for the State Bond Issue 2 program for maintaining our street infrastructure. State Issue 2 requires a minimum of a 10% local share. We are finishing the second year of this program and the City has conducted a City-Wide street resurfacing program. We have another program in which we are cutting out and replacing sections of concrete street. Many of the streets are 40 years old. After the replacement the bad sections, these streets should be good for several decades. Even though "Issue 2" is a help, it only provides for a small fraction of the monies needed for infrastructure repair and replacements of a community.

Solid Waste is an area not only of local concern, but it is a national problem. The Eastern seaboard states have run out of areas for landfills and are whipping there waste to the west. Some of this waste is ending up in Ohio. The landfill that the City of Warren has been using, according to our best information, is about ready to close. We have our own Sanitation Department and have serviced our citizens efficently and inexpensively during my term as Mayor for the past 10 years. The next 10 years are not going to be like the past 10. There are difficult and expensive decisions which will have to made in the near future. Many of the decisions may not be politically popular. These are not easy decisions to be made. With the filling-up and closing of many landfills, the tipping fees will be increasing substantially. In our case, there may not even be a landfill in our area that will even be open. There are expensive decisions to be made in this area of "Solid Waste".

As Mayor of the City of Warren, I am asking you as Members of Congress, to look at the infrastructure needs of the our community. Our community shares the same infrastructure needs as the other communities in our "Mahoning Valley". We are not in the position we were 20, 30 and 50 years ago. I ask your support for us, as we have long supported you in the economic development of our nation. We need your assistance to maintain and upgrade the infrastructure of our city. Please don't forget us.

Respectfully,

Daniel J. Sferra, Mayor
City of Warren, Ohio

THE FOLLOWING ARE THE INFRASTRUCTURE NEEDS FOR THE CITY OF WARREN, OHIO FOR THE NEXT FOUR YEARS RELATING TO OUR TRANSPORTATION NEEDS:

PROJECT	YEAR	ESTIMATED COST
1. CONCRETE STREET REHAB PROGRAM PHASE II	1991	$450,000.00
2. CITY WIDE STREET TREATMENT PROGRAM	1991	250,000.00
3. CONCRETE CUTBACK PROGRAM	1991	175,000.00
4. N. PARK AVENUE REALIGNMENT	1991	600,000.00
5. STREET RECONSTRUCTION & RESURFACING	1991	250,000.00
TOTAL		$1,725,000.00

PROJECT	YEAR	ESTIMATED COST
1. CONCRETE STREETS REHAB PROGRAM PHASE III	1992	$450,000.00
2. CORNER CUTBACK PROGRAM	1992	175,000.00
3. BUS PAID REHAB PROJECT	1992	150,000.00
4. CITY WIDE STREET TREATMENT PROGRAM	1992	250,000.00
5. SANITARY SEWER REHAB PROGRAM	1992	300,000.00
TOTAL		$1,325,000.00

PROJECT	YEAR	ESTIMATED COST
1. CITY WIDE STREET TREATMENT PROGRAM	1993	$300,000.00
2. SANITARY SEWER REHAB PROGRAM	1993	200,000.00
3. STREET RECONSTRUCTION & RESURFACING	1993	250,000.00
4. STORM SEWER PIPE & HEADWALL REPAIR	1993	75,000.00
5. ESTABROOK AVE. STORM SEWER REHAB	1993	350,000.00
TOTAL		$1,175,000.00

PROJECT	YEAR	ESTIMATED COST
1. STREET RECONSTRUCTION & RESURFACING	1994	$250,000.00
2. CITY WIDE STREET TREATMENT PROGRAM	1994	300,000.00
3. SANITARY SEWER REHAB PROGRAM	1994	200,000.00
4. STORM INLET REHAB	1994	150,000.00
5. CURB REHAB PROJECT	1994	150,000.00
TOTAL		$1,050,000.00

SYRO

SYRO STEEL COMPANY

GIRARD, OHIO 44420
216-545-4373

CENTERVILLE, UTAH 84014
801-292-4461

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

"THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS"

TESTIMONY OF:

MR. CHARLES W. SYAK
CHAIRMAN OF THE BOARD & CHIEF EXECUTIVE OFFICER
SYRO STEEL COMPANY
1170 NORTH STATE STREET
GIRARD, OHIO 44420

JULY 16, 1990

INTRODUCTION

GOOD AFTERNOON MR. CHAIRMAN, MR. TRAFICANT AND MEMBERS OF THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE --- MY NAME IS CHARLES SYAK AND I AM CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF THE SYRO STEEL COMPANY LOCATED HERE IN GIRARD, OHIO.

I THANK YOU FOR INVITING ME TO ADDRESS YOU ON THE SUBJECT OF OUR NATION'S INFRASTRUCTURE NEEDS --- BUT FIRST --- LET ME COMMEND THIS COMMITTEE FOR TRAVELLING THROUGHOUT THE COUNTRY SEEKING A FIRST HAND VIEW OF THE ECONOMIC FIBER OF THE MANY DIVERSE ELEMENTS THAT GO INTO THE BUILDING OF ONE OF THE WORLD'S MOST PRIZED PUBLIC WORKS PROJECTS --- THE SELF-FUNDING INTERSTATE HIGHWAY SYSTEM.

I AM ESPECIALLY PLEASED THAT THE CONGRESS WOULD COME TO THE YOUNGSTOWN AREA --- TO PERSONALLY VIEW AND HEAR FROM THE PEOPLE WHO MAKE UP ONE OF THE MOST POTENTIALLY DYNAMIC ECONOMIC REGIONS OF THE COUNTRY. FOR MANY YEARS THIS AREA WAS ONE OF THE NATION'S LEADERS IN THE PRODUCTION OF STEEL AND OTHER BASIC BUILDING BLOCKS --- NECESSARY TO CREATE AND MAINTAIN AN ECONOMICALLY VIABLE INFRASTRUCTURE.

TODAY MR. CHAIRMAN --- THE ROBUST ECONOMY OF THE "STEEL BELT" HAS TURNED INTO THE SLUGGISH ECONOMY OF THE "RUST BELT".

IS IT COINCIDENCE THAT OUR PRODUCTIVITY --- GROWTH AND ECONOMIC EXPANSION DISAPPEARED -- AT THE SAME TIME --- THAT THE RATE OF OUR NATIONAL PUBLIC INVESTMENT IN INFRASTRUCTURE FELL?

I DO NOT THINK SO --- THERE IS A DIRECT LINK BETWEEN PUBLIC INVESTMENT IN OUR INFRASTRUCTURE AND OUR ECONOMY.

MR. CHAIRMAN, INFRASTRUCTURE AND SAFETY ARE A PART OF OUR ECONOMIC WELL BEING. THE SYRO STEEL COMPANY HAS BEEN INVOLVED IN HELPING TO BUILD OUR NATION'S TRANSPORTATION ---"INFRASTRUCTURE" FOR OVER 35 YEARS. PRODUCTS SUCH AS GUARD RAIL, BRIDGE RAIL, STEEL BIN WALLS, CORRUGATED SHEETS FOR OVERPASS AND UNDERPASS STRUCTURES, CRASH BARRIERS, SHEET PILE --- AS WELL AS SPECIALTY PRODUCTS FOR THE NATION'S RAILROAD CAR BUILDERS AND BARGE BUILDERS HAVE BEEN AN INTEGRAL PART OF OUR NATIONS HIGHWAY, BRIDGE AND

AND TRANSPORTATION SYSTEM SINCE THE INCEPTION OF THE INTERSTATE HIGHWAY SYSTEM --- FURTHER --- AN ONGOING R&D PROGRAM DEVOTED TO HIGHWAY SAFETY IS A TOP PRIORITY AT SYRO.

TODAY I WOULD LIKE TO ADDRESS OUR NATION'S INFRASTRUCTURE NEEDS FOR HIGHWAY AND BRIDGE SAFETY.

MR. CHAIRMAN, AS YOU KNOW, TITLE 23 OF THE UNITED STATES CODE GOVERNS THE FEDERAL-AID HIGHWAY PROGRAM --- AND 23 USC 152 WAS ENACTED TO ELIMINATE HAZARDS ASSOCIATED WITH OUR ROADWAYS. --- THIS SAFETY CONSTRUCTION PROGRAM IS APPROPRIATELY KNOWN --- BY THIS COMMITTEE --- AS THE HAZARD ELIMINATION PROGRAM.

THE HAZARD ELIMINATION PROGRAM IS DESIGNED TO IMPROVE SAFETY ALONG PUBLIC ROADWAYS --- AND TO REDUCE ACCIDENT AND FATALITY RATES ASSOCIATED WITH GENERAL ROADSIDE HAZARDS. IT IS COMPREHENSIVE AND AUTHORIZES --- A DIVERSE SET OF PROJECTS. SECTION 152 CARRIES OUT ITS MISSION THROUGH THE USE OF SEVERAL MANDATES. SINCE THIS COMMITTEE IS AWARE OF THESE MANDATES THEY NEED NOT BE ADDRESSED AT THIS TIME.

AS TO THE FUNDING --- LET ME SAY THAT THIS COMMITTEE HAS AUTHORIZED $170 MILLION PER YEAR --- TO BE APPORTIONED TO THE STATES FOR SECTION 152 PROJECTS. THE FEDERAL SHARE OF COSTS ASSOCIATED WITH PROJECTS AUTHORIZED IN ACCORDANCE WITH SECTION 152 IS 90 PERCENT.

A DISTURBING FACT IS THAT SOME STATES. LIKE CALIFORNIA WITH $8.253.059.09 AND OHIO WITH $19,894,470.54 HAVE MANY, MANY MILLIONS OF UNOBLIGATED FEDERAL FUNDS --- JUST SITTING IN THEIR ACCOUNTS.

OTHER STATES, LIKE ARKANSAS WITH $1,468.00 AND ILLINOIS WITH $32,644.75 --- HAVE LITERALLY SPENT ALL OF THE FUNDS APPORTIONED TO THEM UNDER 23 USC 152.

WHAT ARE THE ACCOMPLISHMENTS OF OUR SAFETY PROGRAMS INCLUDING SECTION 152, THE HAZARD ELIMINATION PROGRAM?

TRULY INCREDIBLE SUCCESSES HAVE RESULTED SINCE 1974 --- F.H.W.A. ESTIMATES INDICATE THAT SAFETY PROJECTS ARE RESPONSIBLE FOR SAVING OVER 55,000 LIVES AND PREVENTING OVER 1 MILLION SERIOUS INJURIES. ADDITIONALLY --- FATAL, INJURY, AND FATAL-PLUS-INJURY ACCIDENTS HAVE BEEN REDUCED BY 47%, 22% and 23% RESPECTIVELY.

WHAT IS THE COST?

IT HAS COST APPROXIMATELY $338 THOUSAND PER FATAL, AND $13.6 THOUSAND PER FATAL-PLUS-INJURY ACCIDENTS REDUCED. THE SURPRISING SUCCESS OF THIS PROGRAM COMBINED WITH THE RELATIVELY LOW COST OF THAT SUCCESS --- MAKES YOU WONDER WHY SECTION 152 FUNDS SIT IDLE IN THE UNOBLIGATED ACCOUNT OF SOME AFOREMENTIONED STATES.

CONCLUSION

THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1986 EXPIRES AT THE END OF FISCAL YEAR 1991 --- THE INTERSTATE SYSTEM WILL ALSO BE COMPLETED --- NEW LEGISLATION, BASED ON HEARINGS JUST LIKE THIS ONE, WILL REFLECT NECESSARY CHANGES IN AMERICA'S TRANSPORTATION NEEDS. WITHOUT A DOUBT --- THE HAZARD ELIMINATION PROGRAM REFLECTS THE WISE INVESTMENT THAT THIS COMMITTEE MADE TO BENEFIT OUR NATION'S ROADWAY USERS. WE HAVE A GOOD PROGRAM THAT HAS SAVED LIVES, REDUCED SERIOUS INJURIES AND PERSONAL PROPERTY DAMAGE. I STRONGLY RECOMMEND THAT THIS COMMITTEE EXTEND THIS PROGRAM -- AS IS --- IN THE FORTHCOMING FEDERAL AID HIGHWAY ACT OF 1991. --- GENTLEMEN --- ITS WORKING --- IT AIN'T BROKE --- SO LET'S NOT ATTEMPT TO FIX IT. IF ANYTHING --- TRY TO SQUEEZE SOME ADDITIONAL DOLLARS INTO THE PROGRAM SO THAT THE SAFETY BENEFITS WE ENJOY TODAY MAY BE FURTHER ENHANCED AND SHARED BY THE HIGHWAY USING PUBLIC.

SECRETARY OF TRANSPORTATION SKINNER HAS INDICATED THAT THE NEW TRANSPORTATION POLICY --- SHOULD CONTAIN A HIGHWAY PLAN DESIGNED TO CARRY US INTO THE NEXT CENTURY. HE ADVOCATES A PLAN --- THAT WOULD ELIMINATE THE HAZARD ELIMINATION PROGRAM AND INTRODUCE A SAFETY SYSTEM WITH VERY LITTLE FEDERAL CONTROL.

CAN WE AFFORD TO ELIMINATE THE SECTION 152 PROGRAM?

I THINK NOT. 23 USC 152 IS A HIGHLY SUCCESSFUL SAFETY PROGRAM. THE BOARD DIVERSIFICATION OF SAFETY PROJECTS IMPLEMENTED UNDER SECTION 152 MAKES THE PROGRAM A LINCHPIN --- TO THE ENTIRE HIGHWAY SAFETY MOVEMENT.

TO SPLINTER OUR NATION'S HIGHWAY SAFETY INTO 50 INDIVIDUAL PROGRAMS WOULD DO IRREPAIRABLE DAMAGE TO OUR NATION'S SAFETY PROGRAM. FEDERAL CONTROL WILL PROVIDE A UNIFIED EFFORT FOR R&D, REDUCE COSTS, AND MAINTAIN THE NECESSARY STATE OF THE ART AS IT IS DEVELOPED.--- AS A MANUFACTURER, I CANNOT CONCEIVE OF 50 VARIATIONS OF A SINGLE SPECIFICATION --- ACHIEVING THE DESIRED RESULTS, INCLUDING COST SAVINGS. THE NEED TO CONTINUE THE PROGRAM IS ILLUSTRATED --- BY THE CONSTANT REDUCTION IN ACCIDENTS AND DEATHS, COMBINED WITH THE EVER PRESENT NEED TO UPGRADE AND IMPROVE THE ROADWAYS. TO ALLOW SECTION 152 TO BE DISMANTLED WOULD CONSTITUTE A SERIOUS BLOW TO THIS COMMITTEE'S ENVIABLE RECORD IN SUPPORT OF HIGHWAY SAFETY.

I URGE YOU TO REAUTHORIZE THE HAZARD ELIMINTION PROGRAM AND INCLUDE HIGHWAY SAFETY AT THE TOP OF YOUR LIST OF INTRASTRUCTURE NEEDS.

THANK YOU.

(Page 1 of 2)

TESTIMONY
OF
JOHN P. WARGO - CHRMN.
COLUMBIANA COUNTY BOARD OF
COMMISSIONERS
(Courthouse - Lisbon, Ohio 44432)

Presented to: U.S. House of Reps. - Public Works and Transportation Comm. - Hon. Glenn Anderson - Chrmn. July 16th 1990 at Youngstown, Ohio.

My views as to the Infrastructure needs of the Ohio Valley are presented from 30 years of Political and Governmental involvement, these are: Deputy County Auditor - 3 yrs. County Recorder - 6 yrs. Township Trustee - 3 yrs. Ohio House of Representatives - 12 yrs. County Commissioner - 6 yrs.

1. There is a critical need to complete the Highway links with Ohio and the Pittsburgh Penna. area. This is even more important now that the $600,000,000.00 Expansion and Renovation of the Greater Pittsburgh Airport has begun. This is now an International Airport. Our 4-Lane Roadways stop at East Canton and Alliance, Ohio which is 50 miles to the west of Pittsburgh.

2. The second critical need would not only serve the Ohio Valley, but would impact on the greater part of the U.S. and help our nation regain our Competitive Trade balance. Japan has proven as far back as 30 years ago that scrap steel could be shipped to Japan by water. This scrap is then processed and shipped again by water around the Earth, Mostly to the U.S. This is done at a profit. Water is Cheap Transportation.

A waterway must be constructed from the Ohio River to the Great Lakes. Pres. Franklin Roosevelt signed the authorization just prior to the second World War. Nothing has been advanced since that time.

Our critical need to produce steel and ship at a cheap rate would immensely assist the U.S. balance of Trade.

This region is also a heavy producer of Grain, Coal and Timber.

The proposed Waterway-Canal would be constructed through 4 counties for a Distance of Approx. 130 miles. The Feasibility Study for this project by the Army Corp. of Engineers is now underway.

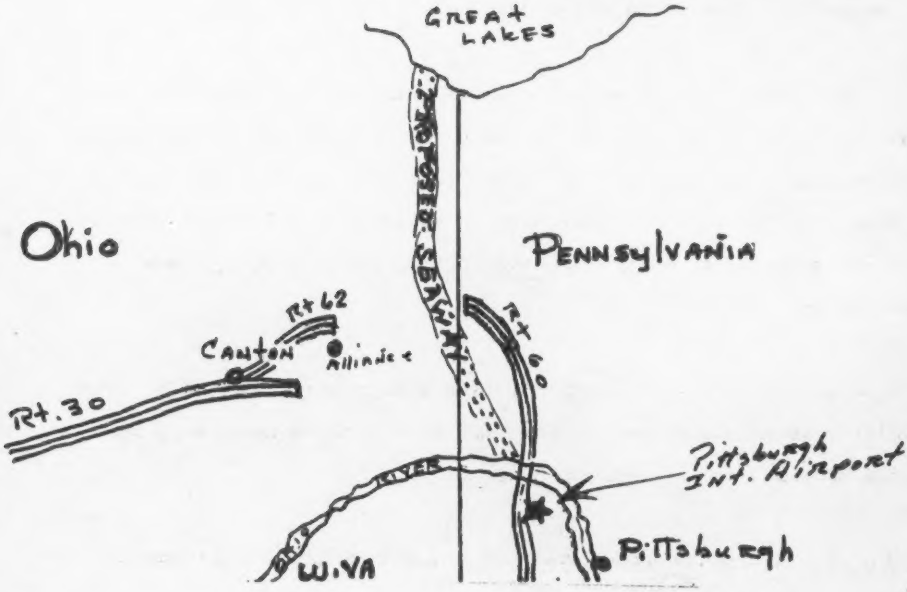
We cannot wait for the world to come to us in our time of Economic need. If that is so, then we will be passed by. Our U.S. Monies must be used here in our country for our people.

NOTE: See Exhibit below

Respectfully Submitted
this 16th Day of July, 1990.

John P. Wargo

JOHN P. WARGO, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS


GREAT LAKES
PROPOSED SEAWAY
Ohio
PENNSYLVANIA
Rt 62
Canton
Alliance
Rt. 30
Rt 60
OHIO RIVER
Pittsburgh Int. Airport
Pittsburgh
W.VA

Bernie Gunter, Soc. Sec., Mahoning
John Emanuel, Soc. Sec., Trumbull

Table 4.—Number of OASDI beneficiaries with benefits in current-payment status, by type of benefit, by sex of beneficiaries aged 65 or older, and by State and county, December 1988

State and county	Total	Retirement benefits			Survivor benefits		Disability benefits			Aged 65 or older	
		Retired workers [1]	Wives and husbands	Children	Widows and widowers [2]	Children	Disabled workers	Wives and husbands	Children	Men	Women
Ohio, total	1,763,600	1,037,036	159,682	17,786	277,895	78,041	132,110	13,857	47,193	498,517	778,702
Mahoning	58,150	33,350	6,055	600	9,910	2,145	4,015	485	1,590	16,975	25,120
Trumbull	40,640	23,480	4,060	390	6,845	1,650	2,925	285	1,005	11,770	17,390

Table 5.—Amount of OASDI benefits in current-payment status, by type of benefit, by sex of beneficiaries aged 65 or older, and by State and county, December 1988

[In thousands]

State and county	Total	Retirement benefits			Survivor benefits		Disability benefits			Aged 65 or older	
		Retired workers [1]	Wives and husbands	Children	Widows and widowers [2]	Children	Disabled workers	Wives and husbands	Children	Men	Women
Ohio, total	$877,065	$571,548	$46,481	$4,650	$141,357	$30,367	$72,927	$2,031	$7,404	$315,137	$357,093
Mahoning	29,098	18,565	1,794	133	5,190	834	2,256	69	237	10,849	11,476
Trumbull	20,912	13,379	1,197	111	3,599	680	1,718	48	180	7,621	8,116

Table 2.—SSI: Number of persons eligible for federally administered payments and monthly SSI benefit amount, by State, district office, and ZIP Code, December 1988 —Continued

State, district office, and ZIP Code	Number of recipients				Monthly SSI benefit amount				Number of recipients	
	Total	Aged	Blind	Disabled	Total	Aged	Blind	Disabled	With OASDI	Aged 65 or older
Ohio	140,087	23,046	2,426	114,615	$33,508,174	$3,286,684	$616,750	$29,604,740	50,219	38,659
Youngstown (397)	4,805	673	63	4,069	1,199,353	95,794	15,617	1,087,942	1,678	1,178
Warren (403)	2,249	306	40	1,903	543,784	40,388	10,960	492,236	684	505

RATIO OF BENEFICIARIES TO POPULATION - RSI - DECEMBER 1988

Mahoning County	1 beneficiary for each 4.9 residents
Trumbull County	1 beneficiary for each 5.9 residents
Combined (Mahoning-Trumbull)	1 beneficiary for each 5.3 residents
National Average	1 beneficiary for each 6.5 residents

RATIO OF OVER 65 BENEFICIARIES TO GENERAL POPULATION

1 out of 6.8 Mahoning

1 out of 8.2 Trumbull

1 out of 7.4 Combined
(Mahoning-Trumbull)

1 out of 8.8 National

DISABLED WORKERS - 12/88

Ratio of Disabled Worker to General Population

Mahoning County	1 beneficiary for each 71.9 residents
Trumbull County	1 beneficiary for each 82 residents
Combined (Mahoning-Trumbull)	1 beneficiary for each 76.2 residents
National Average	1 beneficiary for each 86.8 residents

RSDI DATA - TRUMBULL COUNTY

				OVER 65	
	TOTAL	RSI	DI	M	W
12/77	34,596	29508	5088	NOT AVAILABLE	
12/88	40,640	36425	4215	11,770	17390
% (+ or -)	+17.4%	+23.4%	-17.2%		

12/77 $7,856,600 MONTHLY RSDI PAYMENTS

12/88 $20,912,000 MONTHLY RSDI PAYMENTS +166.1%

RSDI DATA - MAHONING COUNTY

				OVER 65	
	TOTAL	RSI	DI	M	W
12/77	51897	44993	6904	NOT AVAILABLE	
12/88	58150	52060	6090	16975	25120
% (+ or -)	+12%	+15.7%	-11.8%		

12/77 $11,641,000 MONTHLY RSDI PAYMENTS

12/88 29098,000 MONTHLY RSDI PAYMENTS +149.9%

SSI DATA - TRUMBULL COUNTY, OHIO

PERIOD	TOTAL	AGED	B/D	$ PER MTH.
6/77	1688	558	1130	-$177,000
12/88	2249	306	1943	543,784
% (+ or -)	+33.2%	-45.2%	+71.9%	+207.2%

SSI DATA - MAHONING COUNTY, OHIO

6/77	3722	1256	2324	$412,000
12/88	4805	673	4132	$1,199,353
% (+ or -)	+29%	-46.4%	+77.7%	+191.1%

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
JULY 16, 1990

STATEMENT OF JAMES T. WELLS
TRANSPORTATION PROGRAM MANAGER
EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
OHIO ONE BUILDING - SUITE 400
25 EAST BOARDMAN STREET
YOUNGSTOWN, OHIO 44503
(216) 746-7601

The Eastgate Development and Transportation Agency (EDATA) is the designated Areawide Water Quality Management Agency for Mahoning and Trumbull Counties, Ohio. As such, staff began planning for regional water quality improvements in 1972 as first advanced in Section 208 of Public Law 92-500.

With this experience in water quality planning, Congressman Traficant requested the agency's participation along with other units of local government, to investigate regional water distribution problems in order to meet the areas current and future conveyance needs.

A natural equilibrium exists between water supplied and the demand for that water. Within the Mahoning Valley water provided to meet this condition is derived from onstream reservoirs, the Mahoning River, and groundwater. Over the past years geographic patterns of water demand for industrial, residential, and commercial growth have changed sharply. Emphasis in the Valley is now being placed on the coordinated utilization of existing water resources by all existing users.

Over one-half million people live in Mahoning and Trumbull Counties. However, this may be dramatically reduced if population projections as prepared by the Ohio Department of Development as shown on the attached graph are correct. Seventy-two percent of the current population is supplied by 26 centralized water systems that deliver approximately 61 million gallons per day. Due to funding constraints existing systems which are in dire need of repair are incapable of extending services to areas of potential development. Financial resources to meet both present and future requirements are extremely limited and divided among many needs. All costs to insure proper operation and maintenance are paid by users of the various systems. Infrastructure expansion must also be paid from revenues generated by users of the system.

Generally, water supplies within the region are adequate to meet existing and near term projected demand. However, construction of water mains and appurtenances to deliver potable water to areas of potential development are beyond the scope of financial resources currently available.

Counties in Ohio may acquire, construct, maintain and operate all phases of a public water system as long as the territory served is within an established sewer district. Despite these rather broad powers, Mahoning and Trumbull Counties have limited their role in supplying water primarily to distribution. Neither county owns or operates reservoirs or full-scale treatment facilities, but both do own, and in some cases, maintain lines through which the water is distributed.

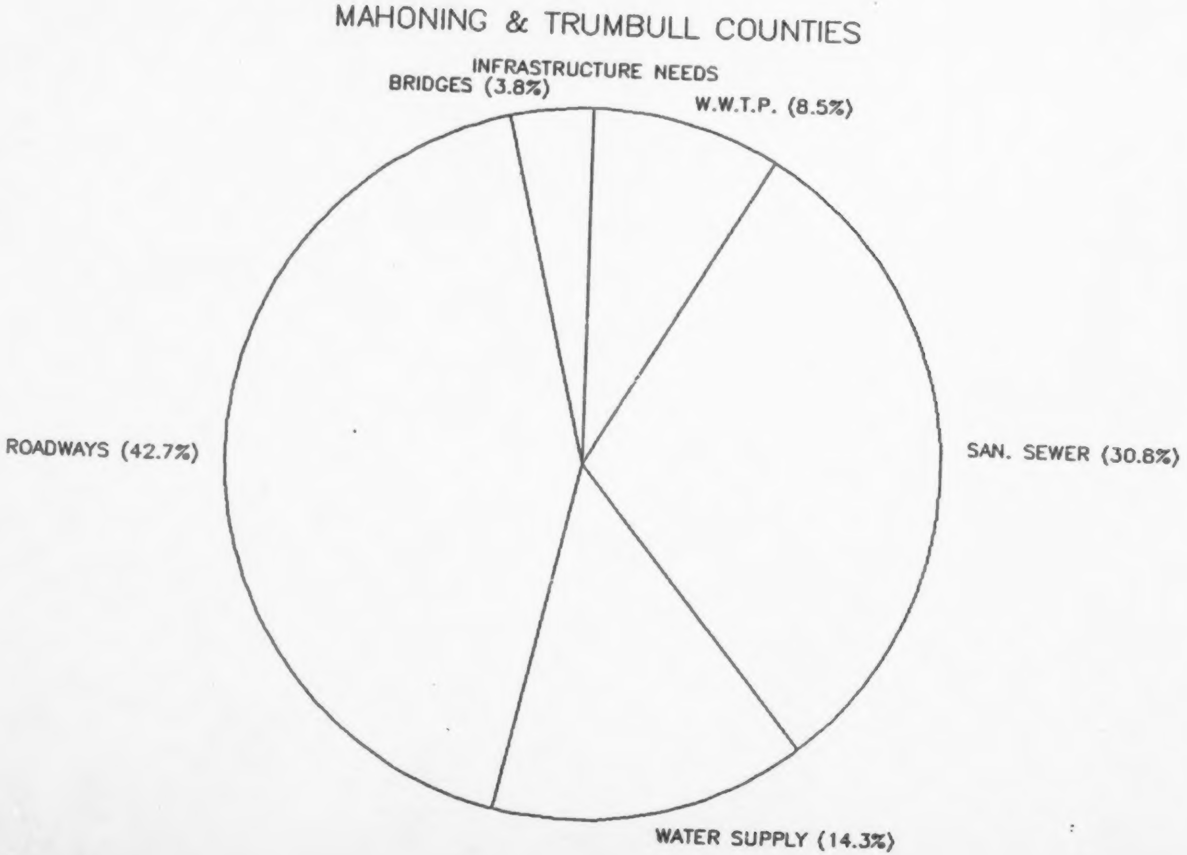
Generally, water for the unincorporated portions of the two counties is supplied by municipalities or private water companies. Each county has made its own arrangement for delivery of this water from the source to the consumer and these vary not only between counties but among different areas within the same county.

Trumbull County exhibits the greatest variation. Some areas of the county receive water purchased from the cities of Warren, Niles, Newton Falls, or Ohio Water Service Company, which is then distributed through lines owned and maintained by the county. Other areas receive water from the cities of Youngstown, Girard, or McDonald under contracts which provide for municipal use of county lines rather than the actual purchase of water by the county. The City of Warren has extended its own lines to supply several small unincorporated areas adjacent to the city.

In Mahoning County the majority of water is distributed by two entities - the City of Youngstown and Ohio Water Service. Youngstown supplies unincorporated areas roughly west and southwest of the city limits. The Ohio Water Service supplies water to portions of those townships southeast and south of Youngstown. It owns and maintains all of the necessary facilities to provide this service including reservoirs, treatment facilities and distribution lines. Although a private firm, it operates as a public utility.

Five year plans developed by communities within the region for the State Infrastructure Improvement Program (Issue 2) identified the need for fifty-two water treatment and conveyance projects with an estimated total cost of $39,242,924. Thirteen projects were also listed for improvements to Wastewater Treatment Facilities at an estimated cost of $23,370,000. Seventy-one sanitary sewer projects were identified as necessary upgrades for existing users as well as expansion of systems to provide for future economic development. The total estimated cost within the five year plan for sanitary sewers amounts to $84,783,555. Water, wastewater facility, and sanitary sewer projects filed under the Infrastructure Improvement Program are not all inclusive. The larger cities of Youngstown and Warren did not apply for these types of projects which require capital expenses well beyond the limited dollars being supplied to the district.

The need to repair, replace and expand our water and wastewater infrastructure is extensive. These projects are critical to maintain existing services and support economic development within the area. Consideration of Federal funding to assist local communities with these projects may be appropriate.

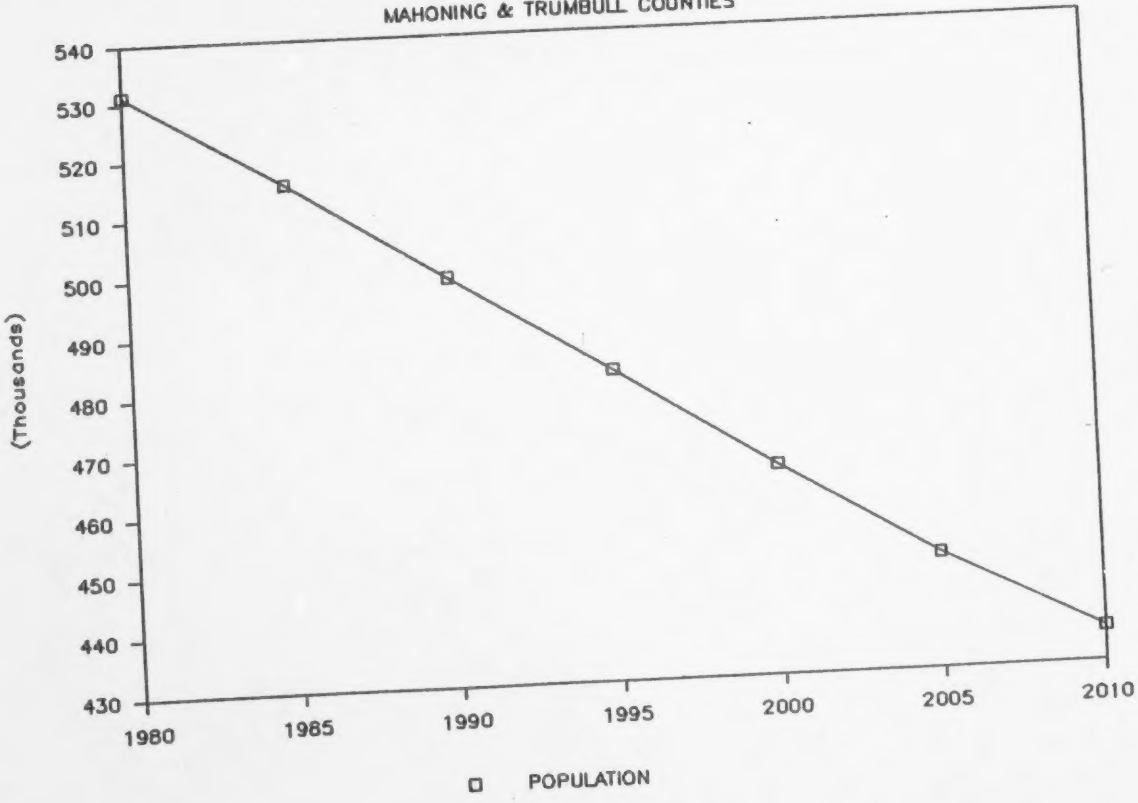


MAHONING & TRUMBULL COUNTIES

INFRASTRUCTURE NEEDS

POPULATION PROJECTIONS

MAHONING & TRUMBULL COUNTIES



TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

MONDAY, AUGUST 6, 1990

House of Representatives,
Committee on Public Works and Transportation,
Lafayette, LA.

The Committee met, pursuant to call, at 2:19 p.m. in Hamilton Hall, University of Southwest Louisiana, Lafayette, Louisiana, Hon. Glenn Anderson (chairman of the committee) presiding.

The Chairman. The meeting will come to order. Good morning, ladies and gentlemen. The House Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. I want to welcome you here today and I want to thank you for taking time from your busy schedules to share your knowledge, your concerns and your perspectives with us about this important issue.

Earlier this year, our Committee initiated a series of events designed to give us a better understanding of our Nation's infrastructure crisis. At our first event in Washington, we looked at emerging infrastructure needs from a national point of view. Our second and third events focused on the impact of infrastructure on the productivity, growth and ability of our country to compete in international markets. Future hearings will examine infrastructure financing alternatives and new technologies.

It is very important, however, for us to get a good look at the infrastructure problems encountered at the local and state levels. Our meeting here today in Lafayette is the third in a series at various sites around the Nation to review infrastructure needs with the people most directly involved, and to hear a broad range of ideas to help resolve the problems. Previously, we held field hearings in St. Clairsville and Youngstown, Ohio, and tomorrow we will meet in Texas and Wednesday in Atlanta, Georgia.

It is a great pleasure to join Jimmy Hayes for this hearing and I want to thank him and the people of the Seventh District for their gracious hospitality. Although Jimmy has been in Congress for only a short time, he has already demonstrated his effectiveness and his dedication to the people of the Seventh District. And as a member of our Subcommittee on Water Resources, he has fought hard for the commercial fishermen, farmers and oil and gas interests in his area and is the author of the Wetlands Conservation Initiative Act of 1990. This legislation, H.R. 4212, has captured a great deal of attention nationally, including in my home state of California. At the current time there are over 50 co-sponsors representing nearly 30 states on the proposal which will have a profound impact on national wetlands policy. He has also pushed for the development and deployment of advanced transportation technologies that are environmentally clean and energy efficient. He is the author of House Concurrent Resolution Number 232, expressing the sense of Congress concerning the need to examine the contribution which magnetically levitated and propelled transportation systems could make to both the transportation infrastructure and the world competitiveness of the United States.

Jimmy's service on the Science, Space and Technology Committee has also been felt directly by his District, not only through his efforts with the National Science Foundation grants to McNeese University and the University of Southwestern Louisiana, but also with the shellfish indicator study program sought for the Research Center at USL.

I just want to congratulate you—you are doing too good almost.

I would also like to welcome Congressman Pete Geren to our hearing today. Pete represents the 12th District of Texas and brings to us a very thorough working knowledge of the political process and a special interest in water resources and aviation. Pete, we appreciate your presence here this afternoon.

As Jimmy and Pete well know, when we talk about infrastructure, we are talking about the very cornerstone of our cities and rural communities. It may not be an exciting subject, but it is infrastructure that provides the foundation for a sound economy and is at the very heart of the standard of living and quality of life that Americans enjoy.

From our previous hearings, we know that not only do many problems exist with our public works facilities, but we have been short-changing our public works investments for more than 20 years. The question we ask today is: What about Louisiana's infrastructure? How adequate is its network of public facilities—the roads, the bridges, the public buildings, the prisons, the sewers, wastewater treatment facilities, water supply facilities, dams and other public works—to meet current needs?

In addressing this issue, we should all keep in mind that economic research in recent years has tied the level of public spending on infrastructure to the productivity rate in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960s to less than one percent, .7 percent, in the early 1980s. And during that same period, the annual growth rate of investment in infrastructure—that is what you need, an increase in the growth rate of investment—fell from 4.5 percent again to less than one percent, to .8 percent. Those are shocking figures.

Productivity in our country, as I mentioned a moment ago, is growing much more slowly than in other developed countries such as Japan, West Germany, Canada, France, Italy and the United Kingdom, some of which, incidentally, invest two to five times as much in their public works as does the United States. And I mention that Japan spends five times as much and West Germany spends twice as much.

Today, we look to you to help us gain further insight into your infrastructure needs: What is the condition of and how adequate is your infrastructure to meet the area's current and anticipated needs?

Who do you think should pay for the necessary public works and what financing techniques have you considered? What do you think the federal role should be? The state role? The local role? And finally, what should our Committee be doing to resolve some of these problems?

As we continue our inquiry and debate on how to deal with the current and the anticipated needs of our public works, we look forward to your answers and to questions that you may raise.

And now I would like to recognize Congressman Hayes and Congressman Geren for any opening remarks that they might wish to make.

Mr. **Geren**. Thank you, Mr. Chairman. I want to commend you for holding these hearings, both in Louisiana and in Texas. Both of our states share common history, common industrial base and both of us face the same challenges in the future to build on the lessons we have learned over good years and the last several tough years, and start building a new future for each of our states.

You have done an excellent job of summarizing the challenges and the problems before us, and I will not attempt to even add to that other than thank you for hosting these hearings and for your leadership on this very important issue.

I want to thank Jimmy Hayes for hosting this here in Lafayette and I want to compliment the people of this Congressional District for having the good sense to send Jimmy to Washington—not so much how we all like Jimmy up there, but because of his lovely wife, Leslie, who has brought the grace and charm of Lafayette to Washington, and she is unquestionably the best cook in Washington, DC, and all his colleagues enjoy her culinary talents very much. But seriously, Jimmy is an outstanding member and I have had the privilege of working with him my short time in Congress on the Public Works Committee.

I do not think there is any task in front of us more important than convincing this nation to make the investment that we need in our nation's infrastructure, and that is the purpose of these hearings, to learn from you what we need to be doing.

Congressman Hayes, Chairman Anderson, thank you for letting me participate in these hearings and thank you for hosting them today.

Mr. **Hayes**. Thank you very much.

It was in this room in 1957 when as a child I learned that the Soviet Union had launched what is now no larger than a grapefruit but what seemed like the alternation of all mankind, into a low earth orbit, and what the school children referred to as Sputnik had prompted a debate as to whether or not this country was a world leader or in fact whether or not we were watching other forces change the shape of the globe.

I remember being frightened, not from military invasion, but the idea that my country which I had grown up to believe had absolutely no peer or competitor, in fact could not do something that someone else could.

I thought about that recently because now, instead of one dramatic event, we are seeing a cluster of indicators that are pointing to the same conclusion. As the Chairman pointed out earlier today, this country ranks 55th in the world in development of infrastructure and the amount of money which we are willing to put behind our needs and ideas. The country of Japan, which is roughly a quarter the size of California, spent five times more than America in infrastructure. West Germany, which is much smaller than some Congressional Districts in Texas, spent twice as much as this country. They did not do that because they are benevolent. They did that because they are malevolent economically, and understand that the way to beat us is to build the roads and bridges that allow them to get to each other rapidly and open the channels of commerce.

It is time for our country to respond to that in the same manner that young President Jack Kennedy responded to the Soviet challenge by declaring that by the end of the decade we were going to do something that no one had ever done before, to place an American footprint on the moon. I remember seeing that moment as well.

And in the course of the next decade, I intend to see the time when we reverse those economic indicators, when we recognize that the value of Cameron Parish is the ability to sell seafood products, not the ability to find them there. That the strength of McNeese University lies not on the campus, but in bringing the campus to the rest of the city and vice versa, so that both can benefit from water quality studies and from the ability to improve the environment, at the same time to stretch those north-south roads on 171 so it is possible to travel in that north-south corridor as it is east-west on I-10. It is important for us to understand here in Lafayette, Louisiana, that despite recent events of the last few weeks where oil prices are high—oil prices were high once before and let us hope that we learned from that moment to recognize that it is what is left behind in concrete and roads and bridges and sewerage and waste disposal that allows an economy ultimately to prosper. It is doing the right things at the moment of prosperity, to bank them for later use in times of adverse economic conditions.

I think by the end of this decade, we will have answered that challenge. Not far from here, only a block away, we are producing what Louisiana needs most—smart people. We are producing smart people who have skills that you and I do not have, that our parents never dreamed of, that my brothers and sisters never thought about and I currently do not understand. But they will be, without question, what propels us into the 21st century. And when you look back at that photograph of the footprint on the moon, and when you recognize that a panel like this comes down to listen, I want you to remember a second thought that is in fact political, for which I apologize to both of them, that is neither a Democratic nor Republican footprint, it is an American footprint that required the total and complete united force of this country to place as a symbol of superiority.

And when we look in the year 2000 at the economic report of this country, we either will find that your children attend the best schools in the world and leave their footprints collectively on the globe, or we will find that the future belongs to whomever does.

Thank you for coming.

The CHAIRMAN. We will invite our first panel to come up. Because so many people have been willing to participate in this hearing and because of time constraints, I am going to ask each witness to summarize his statement orally in two or three minutes. Each witness' full statement will be printed in its entirety in the record of the hearing.

I now want to call our first panel today; that is Dr. Edward Murray, Professor of McNeese State University and Dr. Robert Twilley, Professor right here at the University of Southwestern Louisiana.

Dr. Murray, why do you not please begin.

[Prepared statement of Hon. Hayes follows:]

OPENING STATEMENT OF CONGRESSMAN JIMMY HAYES

Mr. Chairman, as I travel throughout southwestern Louisiana I am constantly faced by families and individuals who express similar concerns to me each time we talk about our future. People are worried that the environment in which their children are growing up is polluted. They are concerned that the members of their families who have moved away to find jobs will stay away because the bayous, wetlands, and oil patch of this state no longer provide opportunities for couples to settle down and raise a family. And they are concerned that no one cares; that no one is really at the helm, making the tough decisions and identifying the resources that need our attention. However, I want to state that meetings such as the one here today do lead to real solutions to those legitimate fears.

Chairman Anderson, the nuts-and-bolts of this area's economy and environment all fall under the jurisdiction and venue of your committee. Therefore, we have the ability and the mission statement within this body to set policies that will reflect the vital role that public facilities—such as highways, ports, airports, water supplies and waste water treatment facilities—all play in our quality of life. Subsequently, it is our charge to listen to the needs of these people, to see first-hand the problems that they confront, and to then provide the necessary leadership to deliver those programs or projects that will solve those problems.

And the need for such leadership at the federal level is critical. As with many other states, the decade of the eighties brought with it a legacy of debt to Louisiana. Unfortunately, that fact was also coupled with a legacy of ignored priorities. For example, 45% of my state's bridges are either structurally deficient or functionally obsolete, which means that every other bridge we cross is inadequate or unsafe for our families to use. I wonder how long it would take us to go from Sulphur to Henderson these days if we needed an airboat to cross every other bayou lying between the two towns. Or more importantly, how many lives are we jeopardizing each day on the way to our offices or schools by our inattention to the roads and bridges beneath our feet.

Furthermore, the E.P.A. has estimated that the capital costs needed to build enough wastewater treatment plants in the state is nearly $1.2 BILLION; a figure so large that it equals the total earnings of the entire population of Calcasieu and Cameron Parishes for one year, alone. At a time when we have come to understand how vital freshwater is to our lives and jobs, it is imperative that we do not pollute these resources in the first place. Clearly, we can not continue to jeopardize our families by ignoring our responsibility to provide them with a clean environment and roads and water supplies that support good jobs.

Yet I must point out that I am concerned that all these needs for roads, bridges, sewers, airports and ports come at a time when the government seems to be abandoning us. Since 1980: (1) federal programs for funding infrastructure in rural America have been cut by over 67%; (2) over 60% of the funding for secondary highway systems has been eliminated; (3) FmHA's water and wastewater grants have been reduced by 75%; (4) E.P.A.'s construction grants have been cut by 75%; and (5) Community Development Block Grants have suffered cuts of nearly 33%.

While I can point to statistical estimates that will calculate the dollar-for-dollar return on each project we propose for towns like Kinder, Maurice or Vinton, I believe the critical need for improved roads and sewers will be obscured by an overemphasis on dollars-and-cents. Consequently, I am sure that the testimony of the following panelists will reveal much more effectively the "real" impact such investments have within these communities.

The members of the panels assembled today will illustrate the problems small to mid-sized communities have in providing a clean environment as well as in attracting businesses that bring in jobs in manufacturing, service industries, or processing, when they can not provide good roads, available air transportation, adequate water supplies or other essential items. In short, they will explain how public works provides not only a clean environment, but an economic base that is essential to the security of our jobs in the future.

Mr. Chairman, I represent a state that is fighting to pick itself up by the bootstraps. We have come to realize that selling the environment doesn't guarantee jobs or prosperity. Furthermore, we have recognized that only a complete commitment to the improvement of our region, from the sewers on up, will allow us to be successful in making this area a place where young couples will continue to want to raise their families. Consequently, what you need to hear today, and must take back with you to Washington tomorrow, is an understanding of the partnership we need to develop with the federal government to provide clean air, clean water and substantive jobs for the people of this region.

We have put our own money where our mouths are to address these problems and are not asking for a simple hand-out. Nonetheless, we recognize that we can not go it alone; we simply do not have the state resources to complete our own list of critical needs. Therefore, we are looking for ways to work hand-in-hand with the federal government to complete the list.

Mr. Chairman, I trust that the comments you will hear today will help you better understand our commitment to not only protecting our unique environment, but to bringing home the jobs that our people desperately want and deserve and I appreciate your coming to Lafayette to hear them first-hand.

TESTIMONY OF DR. H. EDWARD MURRAY, PROFESSOR, McNEESE STATE UNIVERSITY, LAKE CHARLES, LA AND DR. ROBERT R. TWILLEY, PROFESSOR, UNIVERSITY OF SOUTHWESTERN LOUISIANA, LAFAYETTE, LA

Dr. MURRAY. Thank you, Mr. Chairman, members of the Committee. I am Dr. Edward Murray, Director of Research Services and sponsored programs at McNeese State University in Lake Charles, Louisiana.

What I want to present to you today is a rather unique idea. The economic growth and development of the State of Louisiana is highly dependent upon the quality of its air and water, not only for its residents, but for retention and expansion of existing businesses and attraction of new viable industry. The goal of providing more and better job opportunities has long been an activity of enterprising communities.

Experience has shown that most successful programs are the result of dedicated local leadership and supportive citizens. State colleges and universities play a vital role in the leadership of the community. Many of the new jobs in this region will be created through growth of existing firms. In order to facilitate that growth, businesses must be assured of receiving adequate information for addressing environmental concerns.

Petrochemical industries constitute a significant portion of the industrial base of the State of Louisiana. These industries have a profound impact on the standard of living that is enjoyed by the thousands of employees that represent their work force.

Louisiana, particularly southwestern Louisiana, has long been known to have a high cancer rate. Citizens are apprehensive of public and industrial sources of pollution. Established research centers would address these concerns through data acquisition and field research aimed at obtaining results that will be used to solve regional and national problems. Local or regional universities generally have local support and public trust. These universities would serve as monitors for local environmental problems in contrast to a major university out of or across the state, for which public trust is not vested.

The impact resulting from injection wells, hazardous waste, effluents from public and industrial sources, air and ground water pollution are examples of pollution that concern the citizens of Louisiana. Research projects should be directed toward describing, quantifying, modeling and suggesting remediation for problem areas discovered through investigations.

Establishment of centers for environmental studies would provide pure and applied research involving environmental pollution. Results of these studies would be made available to local citizens groups, area industries, and parish, state and federal agencies. The centers would provide information in areas involving contaminant hydrogeology, ambient air quality, environmental monitoring, collection and collating of new and existing data, and education of the general public.

The centers would work toward coordinating research efforts with regulatory agencies of the state and federal government, local and private agencies and other state universities. Interfaces with appropriate data banks and agencies would be developed to exchange, consolidate, correlate and summarize available data. State-of-the-art information would be provided through state and local news media, workshops, seminars and public forums.

Public trust in local universities should be an important consideration when establishing regional research centers. The success of McNeese State University in two large environmental studies demonstrates the wisdom of utilizing the talents provided by regional universities.

The CHAIRMAN. Dr. Twilley.

[The prepared statement of Dr. Murray appears on p. 809.]

Dr. TWILLEY. Thank you, Chairman, Congressmen Hayes and Geren.

The natural resources of Louisiana represent one of the most productive wetland and economic resources in the United States. The statistics are staggering—in the lower 48 states, Louisiana has 40 percent of the total coastal vegetation, the lower Mississippi River valley has one of the largest bottomland hardwood forests and swamps in the entire United States, the wetlands in Louisiana regularly winter over two-thirds of the Mississippi Flyway's waterfowl population, including 20 to 25 percent of the North America puddle duck population. One of the statistics that we use is that Calcasieu actually houses more water fowl than the entire Atlantic Flyway. These resources are being lost at an alarming rate. Present estimates are that coastal vegetation in the United States—or in the State of Louisiana—is being eroded at an estimate of 40 to 50 square miles per year, or an area that is just about equivalent to the size of this auditorium, per hour. In addition, only 20 percent of the original 24 million hectares of the Bowman Howard Forest and Swamps of the lower Mississippi River Valley remain today. Thus the focus of national attention is deserving to a region that historically received insufficient funding for the management of immense environmental problems. The development of infrastructure for the enhancement of transportation in Louisiana has to consider the importance of wetland ecosystems to the cultural, economic and ecological resources of our state. One of the most important considerations is alternation in local and regional hydrology that controls the structure and function of both forested wetland and marsh habitats. The frequency and duration of flooding determines the distribution, density and growth of plant and animal species in wetlands. These species have specific morphological and physiological mechanisms that provide adaptations to environmental constraints established by hydrologic conditions. These structural characteristics of wetland communities are also influenced by the conditions of fertility established by the flow of water that contribute sediment and nutrients.

Wetlands perform many important functions in local and regional watersheds, such as providing food and habitat for fish and wildlife, stabilizing shorelines and controlling erosion, and abating water quality problems by removing pollutants. These functions are dependent on the structure of wetlands and particularly the flow of water. I would like to make a very important point in this area of the testimony in emphasizing that both the structure and function of wetlands are determined by the hydrologic characteristics of a region. One of the most important statements that I can make is that in the past 20 years of research on wetlands, hydrology has been established as the key environmental parameter that controls the nature of wetland ecosystems.

Public work and transportation projects must consider and evaluate the potential change in structure and function of wetland communities associated with these alterations in hydrology. Consideration should also be given to modifications of existing infrastructure that have attributed to the tremendous loss of wetland habitats in Louisiana. Here in Louisiana there is an excellent opportunity for ecologist and engineers to work together to develop public works and transportation projects that interface the transportation needs of our society with the value of wetland ecosystems. This perspective has to include not only alterations from a local or state level but also modifications of regional proportion that uncouple important linkages among riverine, wetland and coastal ecosystems.

Public work projects may also benefit from the ecological functions of wetlands that provide free services to local and regional economies. Wetland influence water quality of rivers and coastal environments by either serving as a source or sink of nutrients. Many primary pollutants, such as nitrogen and phosphorus that contribute to the eutrophication of rivers and streams, are utilized by wetlands for increased growth. Thus enhanced growth increases the habitat and food value of wetlands, providing a positive feedback to aquatic organisms.

Thus the function of wetlands as a nutrient sink has resulted in the design of these natural resources for the tertiary treatment of wastewater released from small municipalities. Although there are several pilot projects that exist, such as a study here at USL with the City of Thibodaux, much more research and development is needed to improve the efficiency of these ecologically engineered resources. Given the wetland resources and economic base of many small municipalities in Louisiana, along with a very suitable climate, there is great potential for the development of wetland/wastewater ecosystems. Public work projects through grants to cities in Louisiana should encourage these wastewater recycling projects.

In summary, I would like for this Committee to realize the significance of its projects to the protection and utilization of wetland resources in the State of Louisiana. This is not only associated with those public work and transportation activities within our own state, but also those in the entire watershed of the Mississippi region. The coastal ocean productivity of Louisiana depends on important linkages among riverine, wetland and coastal watersheds of the entire Mississippi River basin. Engineering projects must consider the ecological significance of these natural wetland resources in the design of infrastructure. In addition, projects of public works should consider the utility of the free services that are provided by the function of wetlands, particularly in the design of tertiary wastewater facilities.

Thank you for this opportunity to discuss or explain some of the importance of wetland resources and I hope you have the opportunity or occasion to see some of our unique resources during our visit. Thank you.

[The prepared statement of Dr. Twilley appears on p. 820.]

The CHAIRMAN. Thank you, Doctor. Now we will have some questions.

Dr. Murray, given your expertise, can you tell us what new technologies exist or might be under development to help meet infrastructure needs?

Dr. MURRAY. In the particular area that I presented here? I think that many of the state agencies are beginning to rely more heavily on state institutions. In fact, we just completed a project where we brought together several state agencies where we were able to communicate in one room, which is kind of unusual with that many agencies—this was including DEQ, EPA, USGS, several other agencies. I think that trying to promote this communication between agencies goes a long way in trying to do what we have proposed.

The CHAIRMAN. Professor Twilley, how do we ensure the proper balance between growth and development on the one hand, and preserving wetland values on the other hand?

Dr. TWILLEY. That is a good question and I think that that is the task we have before us, because as I stated before, we really have begun to understand what these functions are of wetlands only in the last 20 years. I think that is very important to consider, that historically ecology was split between aquatic science and terrestrial science. We studied water and we studied the land. Wetlands is brand new, it is an interface. And so as a science, it is a very recent understanding of those ecosystems.

I think that what we are beginning to understand is the function and free services that these wetlands provide to basic economies, that we before may not have associated with. And I think Louisiana again is a perfect example. Our fishery productivity and the economics of our state related to that enterprise is linked tightly to our wetlands. And so that we have to develop an understanding and appreciate those free services and functions.

Now how do we interface that, as you have asked? We have to look at it from a perspective of engineering designs that take into account ecological significance of these systems and I think it is just basically in the very beginning in developing plans for infrastructure that that consideration is taken into account. I am not asking or proposing to this Committee that any infrastructure should not be pursued. I think the most important thing is to take into account that engineering designs consider these important ecological functions and pursue that line rather than purely from an engineering perspective or purely from an environmental perspective with no infrastructure at all. There has to be a combination of both and a consideration of both needs. The key word is ecological engineering.

The CHAIRMAN. Thank you. Congressman Jimmy Hayes.

Mr. HAYES. You have led into an opportunity to thank both the gentlemen on my left and on my right. Your phrase is almost precisely what this gentleman is responsible for including in a bill two Wednesdays ago referring to the Corps of Engineers as the environmental engineers in a markup at which time we were able to visit with Congressman Anderson about our unique problems in Louisiana. He was most attentive to us and with the work of his excellent staff we were able to put in language which suggests a new path for the Corps of Engineers and would suggest for the first time that as environmental engineers they are able to take the spoil and they are able to take the work from dredging and use that to save wetlands, to so in an environmentally sound manner but for the first time ever to realize that it is also part of the role of the Corps of Engineers to preserve and protect wetlands as well as to open corridors of commerce. This gives us a chance through the permitting process, not around it, to allow some areas in Calcasieu Parish, for example, where we have got Calcasieu River dredging, to benefit immediately through the saving of as many acres as we can of wetlands toward lowering that horrendous figure of 50 square miles a year. And that language would not exist if it were not for Glenn Anderson of California being Chairman of the Public Works and Transportation Committee in the House of Representatives, and Senator John Breaux protecting it across the aisle, where quite often we face threats and disasters in that direction.

In addition to which, in very specific form, it was the same bill two Wednesdays ago that Congressman Anderson allowed us to put in the project down on the Calcasieu River, Hackberry, which is very important, as you know, to so many individuals impacted by it and also the Vermilion Parish freshwater bayou project. This is why I have him down here, he gets to see firsthand the kind of problems that we have been asking his assistance on, we get to thank him for specific projects, but the greatest thanks we owe him is an additional direction to the Army Corps of Engineers that for the next decade we can work in accomplish precisely what you are saying.

My question to each of you is very simple, it involves the two universities rather than one. You are very fortunate to have a personal relationship with both of your presidents; Dr. Abear and Dr.

Automeau, and from my perspective it is more of a suggestion than question that based upon that personal friendship you also have a marriage of talents in the universities. Nobody knows more about water quality than McNeese, not necessarily for the best of reasons in that it had to deal with so many problems in the Calcasieu River at a time of environmental concern, but nobody has the ability to reach back into collected data for so long a period of time to be able to address the kind of things that you are concerned about.

USL has made some remarkable strides in fields of engineering that were not dreamed of. I would suggest that there is a wonderful word to tie the two of you together, the biotech advent in the decade that is coming ahead, allows these two universities through that kind of marriage to take the collected data, transform it and then to do things with it that are heretofore unheard of, especially in cancer research. Not only just water quality, but how to dissect that water quality and how possibly to even impact upon the case and effect relationship of our injection wells and pollution to the disease itself. If there is found a cure for AIDS, which all of us pray there will be, it will be found because of biotech research, it will be found because of the incredible ability now to split into its component parts the complexities of even genetic engineering. And I think the basis for water quality study, wetlands study and the ability of these two universities to put their resources together is unparalleled.

Needless to say, you can count upon our office doing anything whatsoever to further your individual and your collective efforts, but collective efforts are virtually unstoppable in the Congress and I would ask both of you to take that message home to your university presidents, tell them our hand is there, and use their personal relationship to forge the kind of union we need to go forward with positive and concrete results.

Thanks.

The CHAIRMAN. Congressman Pete Geren.

Mr. GEREN. Thank you, Mr. Chairman. I would just like to address a question to both of our panelists.

The challenges and the problems that you laid out are not simple ones, they are not ones that the general public probably has a very good grasp of, and in addition to many of the experiences your state and my state share in common, we also share some attitudes in common and one of those attitudes has been—I do not think you could generously call it an insensitivity to the kind of issues that you have discussed today, probably an insensitivity growing out of lack of information or lack of knowledge about the seriousness of the problem.

As we move forward as a committee with our commitment to try to energize the resources of the country and the people of this country to make an investment in infrastructure and make an investment in infrastructure that also takes into consideration the environmental factors that you all have done such a good job of describing, we—the first step in that process is getting the people of this country interested in it, aware of the problems and a part of the solution to the problems. The area that each of you has described is one where I think that task will be very hard because it takes somebody of your expertise to really understand the complexities of it.

Do you see in your state—I guess I am asking for some advice—how do we begin the education process so as our state agencies, as our federal agencies move ahead with this infrastructure development, we do make sure that the needs of the environment are taken into consideration and where our efforts can be complemented by what environment has to offer, how we can make sure that that happens. I am just concerned that we do not have, particularly in our part of the world, a public out there that understands the importance of what you all have told us today. How do we begin that education process?

Dr. MURRAY. Well various state agencies certainly are aware that this is a problem. Our own local Department of Environmental Quality and in Texas I am not sure what agency that is, what it is called there, but there are similar agencies—and in many cases these regulatory agencies take some pretty hard raps from the public, and in many cases they reach a point where people simply do not have trust in them any more. That does not happen all the time, but it does happen. There seems to be a lack of communication between a lot of these agencies and the general public. Rules are made, people are to accept them, and sometimes really not understanding why. I think that an example of this would be the Calcasieu Estuary and some of the problems that we have had over there. People have been told they cannot fish there, they cannot eat the fish and this is the reason why, but they do not really understand it.

I think the time has really come where these various state agencies must work with the universities and possibly even into the public school system, to get the message out to the people so that it becomes part of the education process and not just some big brother telling the public this is the way it is going to have to be. We have to incorporate it into our education process, and it is nothing that can be done overnight. It is something that we have to strive for for the future, we have to develop the communication between our state agencies and federal agencies to try to get to the people.

Dr. TWILLEY. I have one point to make concerning that that I think is very important, and that is that the research and development and understanding problems associated with water quality and wetlands, I think the university has played historically a very important role in developing both that expertise and also the personnel now, or what I call the practitioners, which are now working in state and federal agencies, to actually implement many of the programs that have been coming through Congress as far as the wetland restoration program. And that is very important because, again, if you go back to the timetable of the development of this expertise, it is only in the last two decades. And I think what is very important to consider is that as new programs are coming through Congress or even through state legislatures, they are asking for state or federal governments to implement many of these coastal restorations and many of these other programs, that we have to keep in mind that we still are in much need of R&D concerning the progress of our understanding of these systems and how we can develop these implementation projects that have been designed.

I view many of the state and federal agencies and the people working in those agencies as practitioners of our knowledge. They are like the physicians in medical science. They are the ones that are actually taking that information. And if you think about it and look at our information base in understanding wetland systems or ecology in general, I think we are about like in the mid-1800s in medical science. And you are asking federal agencies to do things as if you were asking someone in medical science in the mid-1800s to give me a cure for cancer. You are pushing and asking, I think, a lot more of what our information base can provide. That is very important. And I think that because of that we have to view the role of the universities in still providing the R&D to help with the implementation of your programs.

I am worried that that is not going on right now, and, of course, that is sour grapes from the university coming in here asking for more research funds, but I still think that you have to consider in Congress how you are pushing the state of the art of our understanding of certain programs when you are implementing them or asking them to be implemented based upon our information and knowledge. That is a very important point.

Mr. Geren. Thank you very much.

The Chairman. Thank you, Dr. Edward Murray and Dr. Robert Twilley.

Our next panel today consists of Mr. Bill Berry, Louisiana Land and Exploration Company——

Mr. Hayes. LL&E—that is easier, he understands LL&E.

The Chairman. LL&E, okay. Mr. Vernon Meyer of Vernon Meyer and Associates and Mr. Curt Hoglan of the Lafayette Economic Development Agency.

Our first witness is Bill Berry, Louisiana Land and Exploration, New Orleans, Louisiana—that is what it says here. Is that pretty close?

Mr. Berry. That is pretty close, yes.

The Chairman. Very good.

TESTIMONY OF W.L. BERRY, DIRECTOR, ENVIRONMENTAL AFFAIRS & SAFETY, LOUISIANA LAND & EXPLORATION COMPANY, NEW ORLEANS, LA; VERNON F. MEYER, VERNON MEYER & ASSOCIATES, SULPHUR, LA; AND CURTIS F. HOGLAN, LAFAYETTE ECONOMIC DEVELOPMENT AGENCY, LAFAYETTE, LA

Mr. Berry. Thank you, Mr. Chairman, members of the Committee, I am Bill Berry, Director, Environmental Affairs & Safety for the Louisiana Land & Exploration Company.

LL&E is the largest private owner of coastal wetlands in the United States. As a large property owner, we are pleased to appear here today and discuss infrastructure problems in the State of Louisiana, particularly in wetlands area. While our comments are based on our experiences and observations as an owner of coastal wetlands, they are certainly applicable to infrastructure situations throughout the state.

The present section 404 permitting situation has a potential to practically stifle all development within Louisiana's wetlands, infrastructure and otherwise. In the time available, I would like to focus on one problem area—that of definition of a wetland that must be protected under the 404 program.

We have no objection to the basic statutory definition which states that lands should be classified as wetlands if three indicative characteristics are present: hydrology, hydrophytic vegetation and hydric soils. There appears to be general agreement among experts that these three factors are the primary scientific indicators of wetlands.

However, over the past year, there have been numerous instances in which lands not previously believed to meet the federal criteria for wetlands have been so determined to fall within the statutory definition. This is a result of the application of the federal manual for identifying and delineating jurisdictional wetlands, which was adopted on January 10, 1989.

Although the effect of the delineation manual is not yet fully understood, some potentially troublesome consequences are already evident. Areas that have not traditionally been viewed as wetlands, such as prior converted farmlands, elevated hillsides and hardwood forests, are falling within the wetlands definition. Jurisdiction is being extended over lands that lack the ecological characteristics of wetlands and may therefore be outside the scope of lands that require protection in the interest of wetlands protection.

Problems have also arisen as a result of the diminishing use of two of the three major indicators, hydrology and hydrophytic vegetation, in delineating wetlands. The Louisiana Farm Bureau Federation estimates that of the 4.8 million acres of agricultural lands now classified as wetlands in Louisiana, approximately 4.3 million acres have been delineated as wetlands solely on the basis of soil type and as a direct result of the delineation manual. By failing to delineate wetlands by all three criteria, agencies have broadened the sweep of federal regulatory programs far beyond that contained in the statutory definition of wetlands.

For example, approximately 14.6 million acres, or 53 percent, of the Louisiana land area consists of hydric soils which are presently being treated as wetlands. And if you would turn your attention to the poster over to the left of the podium, these are the entire areas shown in gray on the poster, wetlands are checkerboarded throughout the blue areas and the remainder of the state is not wetlands free. For example, in the large area marked "1", all of the soil in red on the second poster is hydric and therefore classified as wetlands. The situation is similar across the country. In California, there are nearly three million acres of hydric soils and in Texas about 15 million acres.

As long as the current practices under the manual govern the delineation process, the general statutory definition will continue to be applied to categories of lands that do not possess typical wetlands characteristics and values. While some environmental regulation of these land resources may be appropriate for other conservation purposes, lands that do not meet the full measure of the criteria for wetlands delineation should not be regulated under a wetlands management regime. This includes infrastructure and all other development projects.

Time will not permit a discussion of the other wetlands issues of concern for all types of development, infrastructure and otherwise, that must be addressed. These are: the goal of no net loss of wetlands and strict sequencing. However, these are also of great importance.

Thank you very much.

The CHAIRMAN. Mr. Meyer, you are number two here—Mr. Vernon Meyer.

[The prepared statement of Mr. Berry appears on p. 794.]

Mr. MEYER. Thank you, Mr. Chairman, Congressman Hayes, Congressman Geren, I appreciate the privilege of attending this conference. I am Vernon Meyer, President of Meyer and Associates, Consulting Engineers, Sulphur, Louisiana. I have the privilege of representing many towns in southwest Louisiana, and ports.

Presently southwest Louisiana villages, towns, cities and parishes are facing the same infrastructure need problems as found in most communities and counties throughout the United States. The average annual rainfall of 60 inches per year has probably created more problems associated with the wastewater systems and roads than are found in most areas of the United States. The soils of southwest Louisiana are not the best suited for construction of roadways and utility systems, thereby requiring increased costs for their respective development.

One of the most critical needs facing the public utilities today are rehabilitation and/or replacement of wastewater collection systems. Most systems that are aged from 20 to 100 years old have serious structural needs or deteriorated joint conditions. With the rainfall in Louisiana, this condition has caused abnormal amount of inflow and infiltration into the wastewater system and roadway failures above the lines. To transport, pump and treat the added wastewater flow makes the situation expensive for public utilities. All wastewater systems are presently being mandated or going to be mandated by EPA to upgrade their treatment which is needed to improve our environmental conditions, but it is also adding an increased financial burden on the consumer.

The solution for funding these deficiencies in the infrastructure for public utilities and roads needs to be addressed now, in the same manner and magnitude as Congress did in 1972, addressing the wastewater program.

The recent adoption of the new Wetlands Mitigation Policy by the Army Corps of Engineers and U.S. Environmental Protection Agency will have a significant effect on future expansion projects for all Gulf ports including the Port of Lake Charles. In Calcasieu Parish, most of the larger undeveloped property tracts located adjacent to deep water (Calcasieu Ship Channel) can be classified as wetlands or partially wetlands. Thus as the Port develops new waterfront property, it will inevitably be faced with the task of minimizing any detrimental effects on wetlands or possibly compensatory mitigation. The net result is that property development costs including the associated technical cost will be significantly higher.

Another problem that Port authorities must deal with is dredged material disposal areas. As existing spoil disposal areas are filled, new disposal areas must be found. Again, most large undeveloped property tracts located adjacent to deep water can be classified as wetlands. The Corps of Engineers is currently performing a study of the remaining life span of existing dredged material disposal areas along the Calcasieu Ship Channel. It is possible that in the near future, the Port will be faced with disposing of at least a portion of its dredged materials at sea. Trade development should also be considered in a possible solution of the new Wetlands Mitigation Policy.

I want to thank you for the honor of being able to appear before this committee to express brief comments in regard to our infrastructure needs of Louisiana and expansion capabilities of ports along the Gulf coast, and more specifically the Lake Charles Harbor & Terminal District Port's expansion efforts.

Thank you, gentlemen.

The CHAIRMAN. Thank you, Mr. Meyer.

Our next witness will be Mr. Curt Hoglan of the Lafayette Economic Development Agency.

[The prepared statement of Mr. Meyer appears on p. 806.]

Mr. HOGLAN. Mr. Chairman, I am Curt Hoglan, President and CEO of the Lafayette Economic Development Authority, and I appreciate the opportunity to relate to you and the Committee, from an economic development perspective what I believe to be the primary challenges and needs of our area in terms of physical infrastructure.

Time does not permit me to go into the many specific details, but I want to highlight the areas that I believe need the most attention. There are many things in this regard that we can do for ourselves at the local level, and we are trying to do that.

But I will enumerate those areas that I believe your committee can impact and where action at your level is needed and appropriate. In the State of Louisiana, further development of our ports is crucial to our economic recovery and our participation in the global economy. The economic implications of our location on the Gulf of Mexico and our proximity to Central and South America and access to more distant markets, make this a priority for us.

We need unobstructed navigation channels from several of our ports to the Gulf. We need dredging and increased maintenance of portions of the intracoastal waterway and access lanes to the Gulf. In some cases new, higher and wider bridges are needed to accommodate traffic of larger vessels, particularly offshore platforms and other large structures.

Our industry involved in these projects in many instances are unique to this area and are now limited in bidding and receiving needed work because of their inability to receive and discharge this very large cargo.

We continue to witness the demise of rail lines in this country. It is particularly true for short lines, often connecting the smaller towns and rail users to the main lines. This greatly hurts the economic growth in small towns, many of which are not located on interstate highways. We are currently trying to save 20 miles of track in the local area that the railroad company has announced it will abandon and sell for salvage. We are stymied in our efforts due to no funds available to buy it, refurbish it and operate it. Although current rail customers on this segment are insufficient to make the line economically successful, we need to preserve it for future economic growth. Once the steel is removed and the right-of-way is returned to landowners, I believe it is gone forever. The cost of building it over from scratch will be certainly prohibitive. We need funding to assist in saving these lines, also some tax or other incentives would help attract short line rail operators in operating over these lines.

I will not comment in any detail on this next item because I do not know enough about the details of what is needed or how it can be done, and I know the Committee, I think in the next panel, is going to hear from people far more expert in this area. But from my perspective, our airports are also absolutely crucial to the economy and need massive improvements to keep up with technological advances, increased demands and other requirements.

As I am sure you are finding out in other states, the difficulty in extending water, sewer and access roads, hinders our efforts to attract new industry and assist expanding industry. The provision of water and sewer to industry is a particularly difficult problem for smaller municipalities that do not have a large tax base to support this rather expensive endeavor, especially if it involves increasing capacity as well as providing water and sewer line extensions.

Louisiana is trying to improve our highways with our new transportation trust fund, but we ask your continued support of federal programs to assist in these areas. We specifically ask your continued support of the Economic Development Administration which greatly assists in providing matching funds for these kinds of infrastructure improvements.

Mr. Chairman, it may be a little off base to ask for your support of the extension of tax-exempt industrial development bond financing for manufacturing facilities, but I am going to do it anyway. Perhaps your Committee has nothing to do with it, but I do believe it is within the purview of the Ways and Means Committee, but perhaps you could relate to Representative Rostenkowski and his troops, just how critical the extension of this provision is. As you know, the sun sets on this issue the end of September and if it is not extended, it will be a devastating blow to financing of many, many industrial projects in this nation and in Lafayette, Louisiana.

Both of Louisiana's U.S. Senators have signed on as co-sponsors of a Senate bill to extend it, and we are proud to say Congressman Jimmy Hayes has joined almost all other Louisiana Representatives—I should say led, since he was the first to sign—as a co-sponsor to Representative Flippo's House bill to extend tax exempt industrial bond financing indefinitely.

The relationship of this legislation to infrastructure may appear to be rather remote and not so obvious, but there certainly is a relationship—indeed a partnership in helping to create jobs, generating money for the tax base and economic growth.

Mr. Chairman, I appreciate being able to talk with you and the Committee today, and I appreciate your demonstrated concern manifested by your presence here today. Thank you for coming, and welcome to Louisiana.

The **Chairman**. Thank you, Curt Hoglan. I would hope that you might be aware that I have been in support of tax-exempt bonds in the past.

I do have a question that some of you already answered a little bit, but I want to direct this question to each of you. What are the most critical capital investment needs for your area of the state? Do you want to start, Bill, being the first speaker? I know, Mr. Meyer, you almost answered that with yours.

Mr. **Berry**. You say what are the most critical capital——

The **Chairman**. Critical capital investment needs for your area.

Mr. **Berry**. Of course, I am from New Orleans, Louisiana, and if we are looking at the infrastructure problem, I think probably the infrastructure we have a lot of problem with is the hurricane protection system, I would say. Certain hurricane protection is a very capital intensive type of an expenditure. I think that is probably our most pressing need probably right now in the New Orleans area, particularly with the storm in the Gulf right now—hopefully it is going to miss all of us.

The **Chairman**. Mr. Meyer.

Mr. **Meyer**. Thank you, Mr. Chairman. I would say in reference to communities, it is probably the wastewater systems; in reference to parishes, I would have to say bridges and roads. I know the Federal Government is dwelling on bridges, but at the current pace, it will be three or four hundred years before they get them all addressed. But I would say these are the two most critical areas from government standpoint.

The **Chairman**. Mr. Hoglan.

Mr. **Hoglan**. I will not comment on what I think our greatest need is because it is a better system for education and training of the work force, but that is not primarily the area of this committee, or the lack of reasonably available capital for financing industrial development projects. But from a physical infrastructure standpoint, I would say the extension and building of more capacity, particularly in the smaller municipalities for water, sewer and roads, and closely tied to that, ports development.

The **Chairman**. Congressman Jimmy Hayes.

Mr. **Hayes**. Well for the last two years, Bill and I have been working very hard on wetlands legislation. Let me first comment on something that you brought up. At the meeting I believe last Thursday it was with Chief of Staff to the President John Sununu, on the definition in the manual of wetlands, which is the source of the problems you demonstrated on the charts, it was clear to me—he had agency heads there—it was clear to me that what has happened is we have taken a valid scientific definition that you cannot dispute if you look at it solely in terms of the expertise that generated it as a definitional matter, but we have imposed it in legislation coming from 1972 in the Clean Water Act, that has nothing to do with scientific definition, but was intended to be a statement of public policy. In other words, it was saying that the people of America wanted the beautiful wetlands in Rockefeller Preserve and wanted Cameron Parish and Vermilion Parish and the Atchafalaya Basin to be preserved and protected.

Unfortunately the scientific definition ends up including the airport in Monroe, which as a matter of public policy may be important, but I do not think was the policy enunciated by the people in this country and I do not think that they intended to see confiscation in effect of private ownership of farmland that was not their vision of what they thought was genuine—in their terms, genuine—not scientifically but emotionally genuine wetlands with cypress knees, with water, with movement in the estuary system. And we had a sunbelt caucus meeting with several environmental groups, some of which—it is not fair to say all, but some of which, particularly the Audubon Society, saying that the three definitional test was intended to be employed and that the single criteria of only one, for example soil content, was intended to be used only in extreme cases where protecting something that was crucial to public need and awareness had to be reached in that manner. And that the scientific definition that was employed was not inaccurate but made a different statement of public policy. Sixty percent of Louisiana cannot be shut down and have the state survive. Almost 80 percent of Harris County, all of New Orleans, all of Houston, cannot have one stick that is moved without permitting and not one bit of construction. That was not public policy.

And I think the Chief of Staff, Mr. Sununu, for the first time, got to hear some of us in the sunbelt who were saying ordinarily you have developers who are taking something, and environmentalists who are stopping them. That is the scenario. The television plot would be someone is building a shopping center in a magnificent oak tree stand or someone is knocking down cypress trees in order to put in a drive-in fast food place. But in Louisiana, the enemy is not a developer doing that, in most instances. The enemy is erosion and the enemy is some of our previous canals that have been cut without correct locks, without a correct water flow, and we are losing 50 square miles a year, not to Donald Trump, we are losing 50 square miles a year to the impact of those problems. And doing nothing is the wrong environmental position. Doing nothing is the position that the Wildlife Federation cannot tolerate, but we need to have them know it more, because they are used to a different kind of confrontation.

So the question that I want to ask all of you is, what is the best means of bridging landowners like LL&E, engineering firms, industrial development, quasi-public entities—what is the forum that is most useful to bring environmentalists, landowners, business concerns together so that we can have an opportunity to explain public policy in the terms in which I have just described it. What is the best way to give them the same room, same time, same place, and most effectively air their concerns and yours?

Mr. BERRY. Congressman, I think probably one good approach that is being pursued right now is this President's Inter-Agency Task Force on Wetlands. You know, they are having a series of hearings around the country and I think that is going to be a step in the right direction.

Mr. HAYES. Which they agreed to extend past December of this year.

Mr. BERRY. Right.

Mr. HAYES. And the coordinator, she used to work for the Treasury Secretary, she used to work for——

Mr. BERRY. Teresa Gorman?

Mr. HAYES. That is it. She attended the meeting and was present when the commitment was made by Mr. Sununu to extend that date in through—past December. So those opportunities are going to be—I am glad to hear you say that is a positive step.

Mr. BERRY. I think that is a very positive step and I think a lot of good information is going to come out, a lot of views are going to come out of those hearings, but I am personally confident that it is going to take action by the Congress as a follow-up to that, to get our wetlands rightfully protected the way they should be protected, but to allow economic development to take place in the country at the same time. I think it is going to take legislation that you gentlemen are going to have to work on to achieve that goal. But I think the hearings are a step in the right direction to start with.

Mr. HAYES. Curt.

Mr. HOGLAN. A good question and I appreciate the opportunity to comment on it. I think one local thing we have done here approaches a solution, Congressman Hayes. One, we have appointed several commissions and local task forces to deal with the issues and each time we were careful to appoint environmentalists and developers on the same task force. It is kind of interesting, you get a slightly different reaction when you make both parties part of the responsibility of coming up with a solution. You make one party responsible for coming up with a solution, the other party tends to want to criticize it. But put both of them on the task force, sort of rub their noses together.

I think it requires some give and take and I personally think it is going to take some compromise on both the hard core developers, if there are such a thing, and hard core environmentalists. By the way, I should announce that I am a development environmentalist—I am trying to look at both sides. I do not think that development and protecting the environment are mutually exclusive. I really do believe that they can co-exist. I think you can accomplish both. But neither side can have it all. And I think the way of getting them together is putting them on joint committees, joint commissions, joint task forces, as an approach to that.

Mr. HAYES. Well let me inject before I ask Vern to come in—people in our state are not different from people in any other state. By overwhelming numbers, the people in our state will tell you that they are willing to trade jobs for environmental improvement. The cancer rates that were referred to here earlier are a driving force. So are so many other changes that they have seen take place to the devastation of what was the natural beauty in south Louisiana.

For that reason, it is essential that environmental organizations reflect a consensus behind, if not unanimous, at least a vast majority of those concerns. The part that has been missing in the past, from my perspective—I get statements on national issues from the Sierra Club nationally and I think one of the things that we are going to start doing in the future is try to get statements from those organizations and their representatives within my own district because of some of the differences just announced. That does not mean that they may agree with anything I have just said, but I want to know what they think about that. But I want to know way more than agreeing or disagreeing. I want to know why. In other words, if Harold Sheffler thinks that idea A is a bad idea, he may be a member of a national organization that has taken a position, but I want to know his reason because he knows so much about the area in which we live. And that, it seems to me, is essential in order for us to try to have an impact on committee action, to explain our own area. And I think I would be most interested in any views written by any of the consensus of groups you put together, and also use this forum as an opportunity to say—and use my office as an opportunity—to say that I want the local chapters of national environmental organizations to make comments upon national legislation as well, and from the perspective of south Louisiana. Because we do have some unique problems and we are certainly—I can tell you this right now—we are not going to pass legislation that is not environmentally sound, because first of all it is indefensible morally I think, but secondly, it is overwhelmingly unpopular.

So it is critical that environmental organizations are part of anything that is part of the congressional solution which you mentioned earlier, because if they are not there, there is no legislation, there will be no legislation. And that process I think though has to start at home and move upward, and not Washington, DC environmental statements moving downward. We need to know what our home folks in the community think, and I very much appreciate your comment of bringing groups in. I would urge you to continue to do so, and also to please give us anything, written reports or consensus on those issues as we move along, and ask those—which we will do—the local chapters to comment in the same manner.

Vernon, I am sorry, I did not mean to cut you off.

Mr. **Meyer**. No problem. I think both groups or all three groups or how many groups is necessary, can work together as long as we do not have a no-ban policy, because too long we have probably ignored wetlands and ignored environmental concerns, and it has caused many of the problems that we are facing today, and that is why the wetlands policy is here. So I think we just need to work together.

In speaking to the loss of wetlands, I think—would hope the United States Congress in their wisdom, would pass some kind of legislation to help us fund restoration of our Gulf and along the coastline of Louisiana, because I think it is one of our—probably statewide is one of the most critical needs we have.

Mr. **Hayes**. Thanks very much.

The **Chairman**. Congressman Pete Geren.

Mr. **Geren**. Thank you, Mr. Chairman.

You touched on a wide range of subjects, which I think points up the range of subjects under the jurisdiction of this Committee and also the many areas that all of us have to work at if we are doing our job well.

Mr. Berry, you talked about the problem with identifying wetlands. I represent an area that most people would consider the prairie. We have since learned recently that we have got a lot of wetlands in Fort Worth, Texas, we were surprised to find out. And it is causing some real problems trying to sort out these definitions.

You mentioned hurricane protection, wastewater systems, roads—which is traditionally thought of as infrastructure—as a state and also as a country, do you believe that this area is making the investment in these infrastructure needs that are necessary in order to meet the challenges that your state faces, both now and in the foreseeable future?

Mr. **Berry**. I certainly think we are beginning to. I alluded to our transportation trust fund, which is a new major effort to put a lot of money specifically dedicated to that, and safeguards put in so the money cannot be used in a general fund or for any other specific purpose, got to be used for roads and highways. We are notoriously behind the power curve on roads and highways, so I think we are certainly beginning to try to make that investment.

I think locally—I speak for Lafayette Parish—I think the parish and the municipalities in the parish are very aggressive. I think most of Acadiana I could even speak for and say they are very aggressive pro-industry and pro-business and they are making as big an investment as they can considering the tax base we have. Down at the local level we suffer from the same problems you all do, there is just not a bottomless pit of money out there, as some people think.

I think the question is always "are you using it for the right thing". I think we are making the effort that we can, realizing this area was devastated, it was hit extremely hard when the price of oil went down. And I certainly believe that we are trying to—and we realize, Congressman, and it is a point well taken, that we are not sitting here asking for only a handout. A lot of this, perhaps most of it, we have got to do for ourselves, and I think we are certainly trying to do that.

The **Chairman**. Well I guess that gets to our next panel. Thank you very much, gentlemen.

I would like to call our next panel, I believe Mayor Robert Istre of Drowley and Ted Stockwell representing the Louisiana Department of Transportation and Development.

Mayor, would you like to start?

Mr. **Hayes**. This is John Breaux' hometown, I might say.

The **Chairman**. Yes, I understand. I was with John for—I was going to say almost 100 years, but he would not want me to say that—so a long time, I enjoyed him very much.

TESTIMONY OF HON. ROBERT ISTRE, MAYOR, TOWN OF CROWLEY, LA AND TED STOCKWELL, DIRECTOR, HIGHWAY PROGRAMS DIVISION, DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT, BATON ROUGE, LA

Mayor **Istre**. I am happy to be with you this afternoon. I think that a lot of the items that I had to discuss with you here have possibly been covered, but I would like to briefly go over them again and then we can discuss them a little later on, sir, if you will.

One of the items that I have is access roads to industrial parks. Industrial parks have grown up over a period of years over some of the older routes that we have had and now we have I-10 and other routes that we now have that make it very difficult for vehicles to get to and from industrial parks and I think that providing funds to be able to build those access roads certainly would be very helpful to our areas.

A cleaner environment. Working with the air, water and land, as I heard Congressman Hayes mention a few minutes ago. Certainly that is another area that we need to work with industry in trying to clean up our environment and make the area here a lot better off for the citizens who live here, environmentally, and making certain that it is clean.

Making funds available for the building of water and wastewater treatment facilities. At present I know that in Crowley, we are undergoing some problems with this in being able to get the funds that are needed.

Making waterways capable of handling barge traffic to go out to the Gulf and into ports that we may have here. I know that, for example, in our community, the widening and the dredging of Bayou Plaquemine Broule waterway, which I know has been on hold for some time, that would greatly improve the capabilities of handling more industry in our area. Also when this is done, this would allow water that is presently limited for irrigating of crops to be more plentiful, so it would help in more than one way by being able to see that these items are done.

I think that really covers the items that I have that I wanted to present to you today.

The CHAIRMAN. Mr. Stockwell.

Mr. STOCKWELL. Mr. Chairman, members of the Committee, I am here today to represent the Louisiana Department of Transportation and Development and will present our views relative to the state highway conditions in Louisiana.

There are 58,522 miles of public roads in Louisiana which include 16,622 miles in the state-maintained system, 32,118 miles in the parish-maintained system and 9,782 miles of city streets which are maintained by municipal governments. The state-maintained system is under the jurisdiction of the State Department of Transportation and Development and will be primarily addressed in this statement.

A highway needs assessment is conducted annually by our department on the entire state-maintained system of highways, as mandated by legislative act. Existing conditions having to do with the geometrics, the surface condition, the level and the classification of traffic, are defined for each roadway segment in the state system and these existing conditions are compared against acceptable standards to establish deficiencies.

Results from our latest study, which was completed in the spring of this year, indicate that 786 miles within the state system are in critical condition, 72 miles of these highways being on the interstate or other arterial system with the remainder on the rural collector system. An additional 1,658 miles are assessed to be in poor condition with 260 miles of interstate and other arterials falling within this category. The above-defined mileage, critical plus poor equaling 2,444 miles, are in a condition which requires reconstruction or rehabilitation now.

Additionally, our study indicates that there are 4,252 miles of highways in the state system that are in fair condition and are projected to require rehabilitation within the next five years. Assuming an average cost figure of $125,000 per mile for resurfacing or rehabilitation, eliminating the backlog of existing surface deficiencies and providing for elimination of projected deficiencies will cost approximately $837 million in the next five years.

Passage of the Transportation Trust Fund at the state level by the legislature and the electorate during 1989 will dedicate state gasoline and diesel excise taxes to operation of the DOTD and to capital outlay for transportation improvements. It is believed that we can expect funding of $80 million per year from the Trust Fund for surface rehabilitation of state highways. Assuming this figure, available state funds for rehabilitation will be $400 million during the next five years compared with $837 million in projected condition deficiencies.

When comparing existing volumes of traffic to design capacity on defined segments of our highway system, approximately 470 miles are shown to experience capacity problems. One hundred fifty two miles in this category are included for major widening in the TIME program, a state-funded program adopted in 1989 to improve selected highways within an intrastate network. Elimination of remaining known capacity problems after implementation of the TIME program is estimated to cost $575 million, not counting new mileage with capacity problems which will accrue each year. Practically all of this mileage is included in the federal aid primary system, a system for which we have received approximately $38 million each year for the last five years.

Shown in the table which I have presented to you are figures which indicate the current status of bridges on public roads in Louisiana. Just to give you a few of the figures, on the state system we have 7,806 bridges with 1,162 of them or 14.9 percent being structurally deficient and another 1,245 or 15.9 percent being functionally obsolete. On the off-state system, you have a total of 6,398 bridges with 39.2 percent being structurally deficient and 20.6 being functionally obsolete.

These figures indicate that there are 30.8 percent on the state system that are deficient, either structurally deficient or functionally obsolete. A total of 59.8 percent on the local systems are deficient in some way. Department engineers have estimated that $1.068 billion is needed to replace all bridges in Louisiana which qualify for replacement. For the past five years, Louisiana has received anywhere from $32 to $35 million per year in federal bridge replacement funds. Using the $35 million per year level, coupled with necessary state matching funds, which are 80 percent federal, 20 percent state, it will take approximately 24 years to replace bridges which are currently defined as deficient.

Completion of I-49 in the urbanized areas of Alexandria and Shreveport will mark the end of approved interstate projects in Louisiana. Emphasis in coming years will be in preservation of and capacity improvements to the existing highway system. New dedicated state funds and continued receipt of funds from the federal highway trust fund will allow us to construct many of these needed improvements.

Our state Transportation Department has provided input to and fully supports the position of AASHTO relative to the Surface Transportation Reauthorization legislation. This position was presented to the Surface Transportation Subcommittee of this Committee in March of this year by Mr. Kermit Justice, President of AASHTO, and others. In addition to emphasis on preservation and congestion relief on the existing system, we support the idea of highway user fees being dedicated solely to the funding of transportation improvements. People of this state voted last October 72 percent in favor of dedicating state gasoline and diesel taxes to transportation improvements. Our department also supports the two-component program, one being a categorical program focusing on meeting national requirements and the second being a flexible state and local program which will enable states and local governments to tailor transportation solutions to their unique needs.

I thank you for coming to Louisiana and allowing us and other citizens of the state to present our views.

[The prepared statement of Mr. Stockwell appears on p. 812.]

The CHAIRMAN. Thank you for inviting us.

Mayor Istre, how do you see the financial burden of addressing Louisiana's infrastructure needs being shared among the federal, the state and local governments?

Mayor ISTRE. Certainly it would be best that it be shared in three parts, but at present, the local government has been burdened with the majority of the costs of being able to accomplish this, and what we are hoping is that the federal and the state can come up with a little more than the local has to come up with at present. The local government has to probably come up with the majority of it now and if a little more could come from the federal and the state level, that would certainly be appreciated.

The CHAIRMAN. Sometimes each of them benefit, you know, and so if one of them always comes up with all of it, that is not too fair either.

Mayor ISTRE. If I may expand a little bit on that, as you know, the federal dollars really come from the local level and therefore are being sent to Washington and of course the state likewise being sent to the state capitol, and when local government can receive a little bit of the monies that are being sent up to the federal and to the state and that can go back home so that you can in turn benefit a little bit on the local level from the monies that you are paying into taxes on a national and state level, local people like to see that. And I know that at present, it seems that mandates are handed down from the federal and the state level and those mandates continue to come down on the local level where we have to come up with funds that we do not have in order to be able to finance things that we are forced to do or fund things that we are forced to do because of state laws and federal laws that are being mandated on local government and whenever mandates do come down, if the money would come down with them, that would certainly help, sir.

The CHAIRMAN. Mr. Stockwell, what actions has the State of Louisiana taken or proposed to assist the local governments with their critical road and bridge needs, to name two of them?

Mr. STOCKWELL. As has been previously mentioned on another panel, we passed a state trust fund back in the state during October of last year, the legislature passed it and then the people passed it by a large margin. Part of that—we would have 16 cents gasoline and diesel fuel tax, 16 cents per gallon, going to the operations of our department and also for improvements in the roads system. Guaranteed in that is one penny of that will be guaranteed to go to the parish governments for their parish road systems which would generate somewhere in the neighborhood of $23 million a year. Now in the current year, even though they are guaranteed one penny of that, in the current year in the legislature, appropriated in the past session, they have a total of $40 million going to the parish transportation fund.

Now the money coming from the federal government, the federal bridge replacement program, there is about 15 percent of that money, which this year we are getting in the neighborhood of about $32 million federal bridge replacement, about 15 percent of that is going for the replacement of parish bridges. So you have those two things that are going to the local governments at the present time.

The CHAIRMAN. Congressman Hayes.

Mr. HAYES. I am not really going to ask a question, but just let me do a bit of house-cleaning for a moment. I have several statements that have been added by different members of police jury—that, in order not to upset the Congressman from California, is not a law enforcement agency but is our equivalent of your county management system—all of those are going to be in the record along with Sawyer White and other groups that have asked to insert something. And let me also say that Mr. Chairman, the record is usually held open for what period of time for anyone who cares to do a written comment, either supplemental or in addition to anything presented today?

The CHAIRMAN. Roughly 30 days.

Mr. HAYES. Well then I would urge, if anyone wishes to contact our local office here or in Lake Charles or direct to the Washington office, we will be more than happy to see that any statements from any organizations, any governmental bodies which wish to be supplemented in this record are certainly made a part of it, and subsequently if you request, we will certainly send you a copy of the entire proceedings.

So with that in mind, realizing the Chairman's schedule, let me just thank both of you and say I think the statements you have made are self-explanatory, and do not really require any questions from me. Thank you.

The CHAIRMAN. Our fourth panel is Mr. Jay Campbell, Executive Director of the Port of Abbeville, Louisiana and Mr. Jerry Theunissen, Jennings Airport Authority, Jennings, Louisiana.

Mr. Campbell, I think we will let you begin.

TESTIMONY OF JAMES W. CAMPBELL, EXECUTIVE DIRECTOR, PORT OF ABBEVILLE, LA AND GERALD J. THEUNISSEN, JENNINGS AIRPORT AUTHORITY, JENNINGS, LA

Mr. CAMPBELL. Thank you, Mr. Chairman, members of the Committee, I appreciate the opportunity that you have afforded us today and I hope that your stay in the Acadiana region is both pleasant and informative.

Before I get into the main body of my text, I would like to take this time to thank you all for the actions you took on behalf of our District regarding Freshwater Bayou. I do not think anybody in the United States can ask for better response time to a cry for help. It was really nice to learn that at the federal level things still do happen fast.

Members of the Committee, the area of concern I address today is one of vital importance to the immediate vicinity of Vermilion and Lafayette Parishes as well as the region which the federal project known as Freshwater Bayou Channel serves. Freshwater Bayou Channel is the eastern boundary of the Mermentau Basin, one of the most productive agricultural areas in the United States.

Freshwater Bayou skirts the western edge of the Vermilion Bay estuarine complex which provides the delicate conditions necessary for commercial and sport fishing species a place to grow. The development of the Freshwater Bayou system has been instrumental in the growth of Vermilion, Lafayette and Iberia Parishes energy-related activities over the last 23 years and has assumed a role as one of the fundamental elements of the economy in the Acadiana region.

Since the authorization of the project by the 1986 Congress, Intracoastal City has become one of the busiest logistics and operations ports in the nation, supporting the inland, near-shore and off-shore operations of the nation's energy producers. Original estimates of tonnages for the project were placed at 500,000 tons annually. Corps of Engineer figures indicate that in calendar year 1989, six million plus tons transited the local facility itself at the southern terminus of the project. These figures do not include embarkations from the Port of Intracoastal City and Vermilion that traveled the waterway to in-shore locations north of the lock facility that were never recorded in the official corps statistics. The Freshwater Bayou Channel is indeed, gentlemen, the umbilical cord necessary for sustaining operations in this region of the Gulf of Mexico for energy producers. These producers rely on the waterway for predictable, uninterruptible flow of supplies to develop the energy reserves our nation depends on. These figures do not reflect a waterway taxed to capacity, but portray a project of vital importance to the local, regional and state economies, in addition to the role it plays in the search for energy reserves for our nation.

The waterway begins at the Gulf Intracoastal Waterway and proceeds in a southerly direction to the Gulf of Mexico, for a distance of 20 miles through wetlands and serves as the eastern boundary of the Mermentau Basin, as I have said. The Mermentau Basin itself is protected by Congressional action and is one of the largest agricultural producers in the nation. It plays a major role in making Vermilion Parish the second leading agricultural producer in the State of Louisiana and the fifth largest rice producing parish in the nation. Together, agriculture and livestock accounted for $89 million in production in 1989 in Vermilion Parish. Since 1989, grain shipments from the Port of Vermilion have been about two million bushels each year by barge. This is expected to increase.

In the 1980s, Intracoastal City began to grow as a major seafood port and in 1988 ranked as the eighth leading seafood port in the nation. Much of that success can be attributed to the proximity of the Vermilion Bay complex, which marine life depends upon to grow. Intracoastal City is also home to the fifth largest single commercial seafood landing dock in the nation.

The Freshwater Bayou Channel project and locking system is a key element in all of the above-mentioned economic sectors, either as the basic transportation mode or serving in its capacity as saltwater barriers. As we speak, the Freshwater Bayou lock system itself is undergoing scheduled maintenance that is required every 10 to 15 years. Since first opened to traffic in 1967, this procedure has only been performed once before, in 1977. At that time, equipment being used prior to the opening of the system was still available and many operators could utilize this aging equipment to help alleviate some of the inconvenience and relocation that occurred.

Since 1977, the commercial fleet has changed dramatically to reflect the capabilities of the channel, and during the recent turndown in the energy sector, much of that old fleet was scrapped due to age and economic consideration of that time. The traditional routes that were used in 1977 no longer had the capacity to accommodate the traffic the Freshwater Bayou had carried. The Corps of Engineers, in an attempt to partially relieve some of the hardships, has adopted work schedules that isolates the closure periods to three short time frames in place of one longer closure period of 90 to 100 days. This will help some. However, it points to the need for alternatives once this need arises again in ten years.

In a worst case scenario, unexpected failure of this system could be disastrous to the area because of lead times, a year in some cases, for replacement parts unique to each system. This is a subject which deserves your most serious consideration.

The State of Louisiana built a bypass system around the locks in 1985 and 1986 for a specific purpose, to accommodate wide loads bound for Alaska by barge. This system was not designed to handle the 15,000 plus lockages per year that occur at Freshwater Bayou. But considering the investment in the facility, it could be utilized by the Corps of Engineers to install a locking system at a reduced cost to the federal government, since the cut already exists. This concept has merit and should be pursued.

The Freshwater Bayou Channel itself is situated in wetlands along both banks. This area is one of the richest fur bearing regions of the nation. With recent initiatives by the federal and state government beginning to address coastal erosion, attention has to be paid to the channel project itself. If it will continue to serve as the primary outlet to the Gulf of Mexico for this region, provisions will have to be made to stabilize the banks of the project. Should this occur, the channel will serve well into the 21st century. Because of its geographic location, the economic interests it serves and the important role it plays in the present and future development of southwest Louisiana, this channel could serve as a model for all projects of this nature.

Most importantly, with maintenance due again in ten years, increasing regulatory requirements, environmental and conservation concerns, the possibility of building new projects to replace old ones are questionable. Updating and improving existing facilities will be necessary to keep pace with the growth trends in coming years. Since this federal project is an important catalyst to the region, planning needs to begin now that reflects a balance for all of the points addressed and many that time constraints do not permit, but are of equal importance.

The CHAIRMAN. Jerry Theunissen.

[The prepared statement of Mr. Campbell appears on p. 798.]

Mr. THEUNISSEN. Good afternoon, Mr. Chairman, Congressman Hayes, members of the Committee. I am Jerry Theunissen, Manager of the Jennings Airport, a small general aviation, public-use airport in southwest Louisiana. My prepared remarks this afternoon will address the vital role general aviation airports play in our transportation infrastructure with emphasis on Louisiana, and a disturbing trend in loss of airports open for public use.

Today there are approximately 5,500 large airline type aircraft in use by scheduled carriers, and these only serve about 572 of the nation's 17,000 plus airports and landing areas. In addition, there are about 18,500 military aircraft operating in the United States. The remaining aircraft registered in the United States fall under the category of general aviation. These aircraft, numbering more than 270,000, are owned by individuals, businesses, corporations and non-military governmental agencies. There are more than 750,000 licensed general aviation pilots in the United States, who fly more than 80 million flights a year, carrying an estimated 120 million passengers. General aviation is a multi-billion dollar contributor to our nation's economy. While the economic impact of commercial carrier airports is widely recognized, what is often overlooked is the surprising potential of smaller, general aviation facilities. The Louisiana airport system, general aviation especially, has had an erratic history. After decades of progress and growth, the fiscal austerity of the 1980s halted progress in many general aviation facilities across the state. Community support for airports suffered when aviation had to compete for limited public funds with other pressing needs.

Louisiana has 62 general aviation public-use airports. These airports represent a golden opportunity to improve transportation and economic development in the state. In talking with potential business investors, the question that is most prominent in their minds is whether or not they will have easy air access from their corporate offices to the business location here. Aviation is going to be the key to getting certain types of industry to locate in this state. The airport program, when properly designed and in effect, will do as much for Louisiana from an economic development standpoint as will the new highway program.

A major update to Louisiana's airport system plan, designed to help the state face changing economic conditions with an integrated airport infrastructure, is underway at the Louisiana Transportation Research Center. The plan, which is a condition for continued FAA funding for expansion of the airport system, will result in a five-year capital improvement program for airport development, as well as 10, 15, and 20 year plans for long-range aviation needs. A special feature of this update is that it marks the creation of a permanent aviation systems planning staff for DOTD, which in the past had to rely on consultants for aviation systems planning.

The largest airports in Louisiana, those serving commercial air carriers, have not been of overriding concern to state officials because they generally support their own planning and development, but many general aviation public-use airports rely on state assistance to match FAA grants for capital improvements, as well as to provide planning and technical support. The recent approval of the transportation trust fund by Louisiana voters will relieve some of the problems of the past by providing a stable source of state revenue for airport capital improvements.

The national plan of integrated airport systems (NPIAS) is published by the Secretary of Transportation for the development of public-use airports in the United States. The plan is limited to development that is potentially eligible for federal funding under the airport improvement program. As of March of last year, NPIAS contained 3,273 of the nation's 17,000 plus airports. The importance of being included in this document cannot be over-emphasized. Louisiana has 58 existing and proposed locations included.

There is one disturbing trend in general aviation. Between 1984 and 1989, there was a net loss of 289 airports open for public use. These closures occurred during an unprecedented economic upturn in the country. Should the country encounter a recession or a depression, the rate of loss of privately owned, open for public use airports will be significantly accelerated. Reasons for airport closures include encroachment by suburban development, oppressive regulations, high real estate taxes and economic recession. A plan involving the FAA, state aeronautics commissions and regional planning agencies must be developed to identify privately owned endangered airports that must be preserved. Funding would then be necessary to preserve these endangered airports.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions.

[The prepared statement of Mr. Theunissen appears on p. 815.]

The CHAIRMAN. Well I would like to direct this question to both of you gentlemen. What steps do you expect to take to meet your particular infrastructure needs, and what kind of help do you expect from the state and the federal government?

Mr. CAMPBELL. Well speaking on the part of ports, the ports are a big part of the state highway transportation development trust fund, but that—and we are dealing with infrastructure—those funds are dedicated to port infrastructure inside the area of the immediate port vicinity. The problem that I addressed to you was a federal project that is in existence already, it is doing its job, it is a vital, vital part of the state, local and national economy.

What we are taking steps to address to you today is the need for the federal government to look with a long-range view at the project and make sure it continues in that role well into the next century. And it can, it has the capability to do it. What will be required from the time we start looking at it, to the time we actually implement some kind of plan of action in the way of local cost-sharing or whether it will be 100 percent federally funded is kind of hard for me to predict right now, because we do not know whether this will happen in 5, 10 or 15 years.

But as far as infrastructure development, the state has in place dedicated funds for port development inside the boundaries of the port, so to speak—and that is a very loose definition of it—inside the boundaries of ports you have channels, but the channels on the outside of the ports are not included in that.

So the federal responsibility or direction should be towards channels, the channels that connect, the channels that connect inland harbor areas to the Gulf of Mexico, the channels that connect the inland port areas to foreign trade or the off-shore energy sector.

Mr. THEUNISSEN. Mr. Chairman, I mentioned that there is a major update to Louisiana's airport systems plan that has been mandated by the federal government. This is underway at the present time. Once this is complete and we see exactly what our needs are within the state—and it is not to say that every airport that is open should remain open. We should selectively look at this program and find out what our needs are.

Fortunately there is a program in place with the federal government that is 90/10 matching funds from the airport improvement program. With the passage this past fall of the transportation trust fund, we now have some dollars within Louisiana to match that 90 percent, put up the 10 percent along with the 90 percent. Once we have received our marching orders from these particular studies, then we will have the funds within the state from this transportation fund, to go after the 90 percent matching federal funds. And we are going to make a concerted effort to do that.

So there is a mechanism in place already, and we are going after it within Louisiana.

The CHAIRMAN. Congressman Hayes.

Mr. HAYES. I really have two different questions, one of them a short discussion. Jay, you are intimately familiar with this because you are in the midst of the complications of—Louisiana is really an estuary system where we are not talking about the simplicity of a structure that stops something, like a dam or building a levee, we are talking about the ability to circulate water and you sit as an arbiter on many occasions with commercial fishing interests, with farming interests, recognizing that a balance has to be made in all of that, and therefore in your own mind you conclude and have a reasonable plan of what works, not just to accommodate interests, but what is necessary for the balancing so that both agriculture and aquaculture and farming can continue to exist.

Based upon your experience, would you be supportive or not supportive of doing a similar thing to what we do in highways where the federal government has a role, but that the plan, the basic highway plan, comes from the state and where the implementation of that and some of the priorities created are created at the state level. In other words, when we talked about highways earlier and competition within projects within the state, while the federal government funds and does matching funds, the state priorities on projects are determined in Baton Rouge, not in Washington, DC.

What would be your reaction to proposals that have been made by some members of Congress that we should do a similar thing where the Corps plays a role, where the EPA plays a role, but where it is a state plan that cannot violate standards but in effect is generated at the state level and where the concentration of decision-making is under a one-stop shop produced by the plan to avoid a multitude of agencies, what would your reaction to that proposal be?

Mr. **Campbell.** You are talking about setting up a national guideline format, but one-stop shopping for permitting and planning and zoning and so forth?

Mr. **Hayes.** And an oversight.

Mr. **Campbell.** As far as our perspective, Congressman Hayes, that would end a lot of nightmares as far as permit regulations and so forth. It would ease the burden of trying to justify your case. It would provide for quicker action as far as from project inception to planning, to construction. And remember, I am doing this with a tilt toward waterways because you have to remember waterways are a dynamic mode of transportation as opposed to a highway, which is basically laid and then is repaired or filled in. But waterways, especially in this area of the country, as you know, are a very sensitive subject and they need more local input from the local level. The more you get that, the better off you are because very often in the grand scheme of things, the local needs are overlooked.

Mr. **Hayes.** And to change the subject entirely—not the general subject but specifics—one of the things that I have learned in recent months in dealing with the proponents of the expansion of New Orleans International Airport is that the City of New Orleans has lost dramatically what historically had been southern routes into Central America, and secondly that the facility in New Orleans has not reacted to what has been enormous increase in air cargo. We were talking earlier about modes of transportation competing, and there are many people who believe that air cargo will reach the cost effectiveness level to be the dominant shipper of the 1990s.

Given the idea that we are looking for international routes and the importance of global markets in today's economy, it is easy to see the needs of a big international airport and given the fact that cargo is essential in its movement across the width and breadth of long distances, it is easy to see where those kind of hubs can take place and where competition on what used to be military installations, for example, be affected.

In those two areas, in areas of feeding into international trade and in the areas of moving cargo, where do you think—where is the most important role and what would you say would be the most effective way of taking those two facts and turning them into the most benefit for the smaller public facilities terminals of which you are intimately involved and concerned with?

Mr. **Theunissen.** First of all, in New Orleans, as you are well aware, there is a tremendous program underway to possibly some day have a hub right there in New Orleans, as we do in Atlanta or Dallas and a couple of other places in the country. So this in itself would be a tremendous boost for Louisiana, and of course any time that anything comes in that expands and moves over the borders. But in moving specifically cargo, we find that in the oilfield, for instance, when things get rough the inventories go down and high value items are left on the shelf back at the home station and when these high value items are needed out in the Lake Arthur field or something such as this, they are flown in. And thereby saving all of the money that of course is involved in stocking these high value items, and from what central location you can disperse them. So the idea of cargo is very important—these small airports are extremely important to get out to these facilities in a hurry.

The other thing, any time a business is going to look at locating in an area, one of the first things that they will come up with is what is your air access to my particular offices, to my supplies, to my middle managers to get out. So it does play a very important role.

Mr. HAYES. Thank you very much. I do not have any other questions.

Let me just conclude because I know the Chairman wishes to make a closing statement, by again thanking Glenn Anderson, who I think brings a unique combination of qualifications to a hearing like this—as I told a group of press earlier where some of you were not present, he was a mayor of a major city, Long Beach, California; he served the state as Lieutenant Governor, giving him a position of access to the executive office of a major state that is larger than most countries; and now he is Chairman of a Congressional Public Works and Transportation Committee, so the local, state and federal level are blended in public service in the Congressman from Long Beach, California. And I very much appreciate his bringing that vast expertise and understanding to southwest Louisiana.

Again thank you for making the trip and thank him for his cooperation and that of his very fine staff in the past in assisting us with specific and general needs for the future of southwest Louisiana.

The CHAIRMAN. Thank you, Jimmy.

I want to thank all of our witnesses here today for their expertise and for helping us better understand the importance of our Nation's infrastructure needs from the perspective of southwest Louisiana. It is clear that our emerging national wetlands policy will have a major impact on growth and productivity for the foreseeable future.

I also want to thank the people of the Seventh District for their warmth and southern hospitality, and Jimmy, I thank you for your untiring interest and enthusiasm and your staff for their hard work on making today's hearing possible.

And with that, the Committee stands adjourned. Thank you very, very much.

[Whereupon, at 4:10 p.m., the Committee was adjourned.]

TESTIMONY

OF

W.L. BERRY, DIRECTOR

ENVIRONMENTAL AFFAIRS & SAFETY

THE LOUISIANA LAND AND EXPLORATION COMPANY

NEW ORLEANS, LOUISIANA

Before the

Committee on Public Works & Transportation

August 6, 1990
Lafayette, Louisiana

Thank you Mr. Chairman - members of the Committee. I am Bill Berry, Director, Environmental Affairs & Safety for the Louisiana Land & Exploration Company or LL&E as we refer to it. I am located in New Orleans, Louisiana.

LL&E is the largest private owner of coastal wetlands in the United States. We own over 600,000 acres of marshlands, all of which are located in Southeastern Louisiana. As a large property owner, we are pleased to appear here today and discuss infrastructure problems in the State of Louisiana, particularly in wetland areas. While our comments are based on our experiences and observations as an owner of coastal wetlands, they are certainly applicable to infrastructure situations throughout the state.

The company and I are proud of our land. Since the early 1950's, we have recognized wetlands loss as a serious problem and have engaged in an intensive conservation program to protect our property. We are pleased that wetlands loss, which has reached critical proportions in Louisiana, is finally receiving the national attention it deserves. This is extremely important since the Corps of Engineers currently estimates that up to 35 square miles of Louisiana marshlands are disappearing each year -- over 20,000 acres.

However, we are not pleased with the present Section 404 permitting situation which has the potential to practically stifle all development within Louisiana's wetlands, infrastructure and otherwise. In the time available today, I would like to focus on one problem area -- that of definition of a wetland that must be protected under the 404 program.

LL&E has no objection to the basic statutory definition which states that lands should be classified as wetlands if three indicative characteristics are present: hydrology, hydrophytic vegetation and hydric soils. There appears to be general agreement among experts that these three factors are the primary scientific indicators of wetlands.

However, over the past year there have been numerous instances in which lands not previously believed to meet the Federal criteria for wetlands delineation have been determined to fall within the statutory definition. This is a result of the application of the Federal Manual for Identifying and Delineating Jurisdictional Wetlands (Manual), which was adopted on January 10, 1989. The Manual provides a very complicated and technical set of directives to agency field personnel for use in determining whether the three statutorily required indicators of wetlands are present.

Although the effect of the Manual is not yet fully understood, some potentially troublesome consequences are already evident. For example, the presence of wetlands hydrology ordinarily should require the presence of saturated soil conditions or inundation for some portion of the growing season. However, under current agency practice, the presence of water within 18 inches of the surface for a minimum of seven days of the growing season is sufficient to satisfy the hydrology requirement. Under such a test, lands may be wetlands even when standing water or wet surface soil conditions cannot be observed. Thus, areas that have not traditionally been viewed as wetlands, such as prior converted farmlands, elevated hillsides and hardwood forests, are falling within the wetlands definition. This interpretation puts a substantial burden on landowners to attempt to anticipate the presence of wetlands even where obvious indicators are not available. It also extends regulatory jurisdiction over lands that lack the ecological characteristics of wetlands and may therefore be outside the scope of lands that require regulation in the interest of wetlands protection.

Problems have also arisen as a result of the diminishing use of two of the three major indicators, hydrology and hydrophytic vegetation, in delineating wetlands. The Louisiana Farm Bureau Federation estimates that of the 4.8 million acres of agricultural lands now classified as wetlands in Louisiana, approximately 4.3 million acres have been delineated as wetlands solely on the basis of soil type and as a direct result of the Delineation Manual. By failing to delineate wetlands by all three criteria, agencies have broadened the sweep of Federal regulatory programs far beyond that contained in the statutory definition of wetlands.

For example, approximately 14.6 million acres or 53 percent of the Louisiana land area consists of hydric soils which are presently being treated as wetlands. These are the entire areas shown in grey on the poster. Wetlands are checkerboarded throughout the blue areas. And the remainder of the state is not wetlands-free. For example, in the large area marked "1", all of the soil in red on the second poster is hydric and therefore wetlands. The situation is similar across the country. In California, there are nearly 3 million acres of hydric soils and in Texas about 15 million acres.

As long as the current practices and interpretations under the Manual govern the delineation process, the general statutory definition will continue to be applied to categories of lands that do not possess typical wetlands characteristics and values. While some environmental regulation of these land resources may be appropriate for other conservation purposes, lands that do not meet the full measure of the criteria for wetlands delineation should not be regulated under a wetlands management regime. This includes infrastructure and all other development projects.

Time will not permit a discussion of the other wetlands issues of concern for all types of development, infrastructure and otherwise, that must be addressed. These are: the goal of no net loss of wetlands and strict sequencing. However, they are also of great importance.

Finally, I would like to commend Congressman Hayes for the recent introduction of H.R. 4212. This bill will provide for a federal tax credit for expenditures for conservation measures taken to protect wetlands of the United States. It will allow owners of wetlands - like LL&E, both in Louisiana and across the entire country, to assist in achieving no net loss of wetlands values, in an extremely cost-effective manner.

Thank you for the opportunity to appear before this committee hearing. LL&E is dedicated to the conservation of Louisiana's precious wetlands heritage. We will work with the committee in any way we can. I would now be happy to address any questions.

Mr. Chairman, Members of the Committee

I appreciate the opportunity that you have afforded us today, and hope that your stay in the Acadiana region is both pleasant and informative.

Members of the Committee, the area of concern I address today is one of vital importance to the immediate vicinity of Vermilion and Lafayette Parishes as well as the region which the Federal Project, known as Freshwater Bayou serves. Freshwater Bayou Channel is the eastern boundary of the Mermentau Basin, one of the most productive agricultural areas in the United States.
Freshwater Bayou skirts the Western edge of the Vermilion Bay estuarine complex which provides the delicate conditions necessary for commercial and sport fishing species a place to grow. The development of the Freshwater Bayou System has been instrumental in the growth of Vermilion, Lafayette, and Iberia Parishes energy related activities over the last twenty-three (23) years, and has assumed a role as one of the fundamental elements of the economy in the Acadiana region.

Since the authorization of the Project by the River and Harbor Act of 1960, of the 86th Congress Intracoasal City has become one the busiest logistics and operations Ports in the nation supporting the Inland, Near-Shore, and Off-Shore operations of the Nations energy producers. original estimates of tonnages for the Project were placed at 500,000 tons annually. Corps of Engineer figures indicate that in Calendar year 1989, 6,000,000+ tons transited the Lock facility itself at the southern terminus of the project. These figures do not include embarkations from the Port of Intracoastal City and Vermilion that traveled the waterway to inshore locations north of the Lock facility that were never recorded in the official Corps statistics. The Freshwater Bayou Channel is indeed gentlemen the umbilical cord necessary for sustaining operations in this region of the Gulf of Mexico for Energy Producers. These producers rely on the waterway for predictable, uninterruptable flow of supplies to develop the energy reserves our nation depends upon. These figures do not reflect a waterway taxed to capacity but portray a project of vital importance to the local, regional, and state economies, in addition to the role it plays in the search for energy reserves for our nation.

The waterway begins at the GIWW and proceeds in a southerly direction to the Gulf of Mexico for a distance of 20 miles through wetlands and serves as the eastern boundary of the Mermentau Basin. The Mermentau Basin itself is protected by Congressional action and is one of the largest agricultural producers in the nation. It plays a major role in making Vermilion Parish the 2nd leading agricultural producer in the State of Louisiana ($49,000,000. 1989), and the fifth largest rice producing parish (county) in the nation. Together, agriculture and livestock accounted for $89,000,000.00 in production in 1989. Since 1989, Grain shipments from the Port of Vermilion have been about 2,000,000 bushels per year by barge. This is expected to increase.

In the 1980's Intracoastal City began to grow as a major seafood port and in 1988 ranked as the 8th leading seafood landings port in the nation. Much of that success can be attributed to the proximity of the Vermilion Bay complex, which marine life depends upon to grow. Intracoastal City is also home to the fifth largest single commercial seafood landing dock in the nation.

The Freshwater Bayou Channel Project and Locking system is a key element in all of the above mentioned economic sectors, either as the basic transportation mode or serving in its capacity as a saltwater barrier. As we speak the Freshwater Bayou Lock system itself is undergoing scheduled maintenance that is required every ten to fifteen years. Since opened to traffic in 1967, this procedure has only been performed once before, in 1977. At that time, equipment being used prior to the opening of the system was still available and many operators could utilise this aging equipment to help alleviate some of the inconvenience and relocation that occurred. Since 1977, the commercial fleet has changed dramatically to reflect the capabilities of the channel and during the recent turndown in the energy sector much of that old fleet was scrapped due to age and economic consideration of that time. The traditional routes that were used in 1977 no longer had the capacity to accommodate the traffic the Freshwater Bayou had carried. The Corps of Engineers in an attempt to partially relieve some of the hardships has adopted work schedule that isolates the closure periods to three short time frames in place of one longer closure period of 90-100 days duration. This will help some, however it points to the need for alternatives once this need arises again in ten years. In a worst case scenario, unexpected failure of this system could be disastrous to the area because of lead times, a year in some cases, for replacement parts unique to each system. This is a subject which deserves your most serious consideration. The State of Louisiana built a By-Pass system around the Locks in 1985-86 for a specific purpose to accommodate wide loads bound for Alaska by barge. This system was not designed to handle the 15,000+ lockages per year that occur at Freshwater Bayou, but considering the investment in the facility it could be utilized by the Corps of engineers to install a locking system at a reduced cost to the Federal Government since the cut already exists. This concept has merit and should be pursued. The Freshwater Bayou Channel itself is situated in wetlands along both banks. This area is one of the richest fur bearing regions of the nation. With recent initiatives by the Federal and State Government beginning to address coastal erosion, attention has to be paid to the Channel project itself. If it will continue to serve as the primary outlet to the Gulf of Mexico for this region, provisions will have to be made to stabilize the banks of the project. Should this occur, the channel will serve well into the 21st century. Because of its geographic location, the economic interests it serves, and the important role it plays in the present and future development of southwest

Louisiana, this Channel could serve as a model for all projects of this nature. More importantly with maintenancedue again in 10 years, increasing regulatory requirements, environmental and conservation concerns, the possibility of building new projects to replace old ones are questionable. Updating and improving existing facilities will be necessary to keep pace with the growth trends in coming years. Since this Federal project is an important catalyst to the region, planning needs to begin now that reflects a balance for all of the points adressed and many that time constraints do not permit but are of equal importance.

James W. Campbell
Abbeville Harbor & Terminal

TESTIMONY OF CURTIS F. HOGLAN, PRESIDENT & CEO,
LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
BEFORE
THE FULL COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES
MONDAY, AUGUST 6, 1990

Mr. Chairman, I appreciate the opportunity to relate to you and the committee, from an economic development perspective, what I believe to be the primary challenges and needs of our area in terms of physical infrastructure. Time does not permit me to go into many specific details, but I want to highlight the areas I believe need the most attention. There are many things in this regard that we can do for ourselves at the local level, and we are trying to do that, but I will enumerate areas that I believe your committee can impact and where action at your level is needed and appropriate.

In the State of Louisiana, further development of our ports is crucial to our economic recovery and our participation in the global economy. The economic implications of our location on the Gulf of Mexico and our proximity to Central and South America and access to more distant markets, make this a priority for us. We need unobstructed navigation channels from several of our ports to the Gulf. We need dredging and increased maintenance of portions of the Intracoastal Waterway and access lanes to the Gulf. In some cases, new, higher and wider bridges are needed to accommodate traffic of larger vessels, particularly off-shore platforms and other large structures. Our industries involved in these projects, in many instances are unique to this area and are now limited in bidding and receiving needed work because of their inability to receive and discharge this very large cargo.

We continue to witness the demise of rail lines in this country. It is particularly true for short lines, often connecting the smaller towns and rail users to the main lines. This greatly hurts the economic growth in small towns, many of which are not located on Interstate highways. We are currently trying to save 20 miles of track in the local area that the Railroad Company has announced it will abandon and sell for salvage. We are stymied in our efforts due to no funds available to buy it, refurbish it, and operate it. Although current rail customers on this segment are insufficient to make the line economically successful, we need to preserve it for future economic growth. Once the steel is removed and the right of way is returned to land owners, I believe it is gone forever--the cost of building it over from scratch will be certainly prohibitive. We need funding to assist in saving these lines. Also some tax or other incentives would help attract short line rail operators in operating over these lines.

I won't comment in any detail on this next item, because I don't know enough about the details of what is needed and how it can be done. I am also sure that your committee will receive testimony by people that are experts in this area. But our airports are also absolutely critical to the economy and need massive improvements to keep up with technological advances, increased demands, and other requirements.

As I'm sure you are finding in other states, the difficulty in extending water, sewer, and access roads, hinders our efforts to attract new industry and assist expanding industry. The provision of water and sewer to industry is a particularly difficult problem for smaller municipalities that do not have a large tax base to support this rather expensive endeavor, especially if it involves increasing capacity, as well as providing water and sewer line extensions. Louisiana is trying to improve our highways with our new Transportation Trust Fund, but we ask your continued support of federal programs to assist in these areas. We specifically ask your continued support of the Economic Development Administration, which greatly assists in providing matching funds for infrastructure improvements.

It may be a little off-base to ask your support of the extension of Tax Exempt Industrial Development Bond financing of manufacturing facilities, but I'm going to do it anyway. Perhaps your committee has nothing to do with it---I believe it is within the purview of the Ways and Means Committee, but maybe you could relate to Representative Rostenkowski and his troops just how critical the extension of this provision is. As you know the sun sets on this issue the end of September if it is not extended. Both of Louisiana's US Senators have signed on as co-sponsors of a Senate Bill to extend it, and Congressman Jimmy Hayes has joined almost all other Louisiana Representatives--I should say led since he was the first to sign--as co-sponsors to Rep Flippo's House Bill to extend IDBs indefinitely. The relationship of this legislation to infrastructure may appear to be rather remote and not so obvious, but there certainly is a relationship, indeed a partnership in helping to create jobs, generating money for the tax base and economic growth.

I appreciate being able to talk with you today, and I appreciate your demonstrated concern, manifested by your presence here today. Thank you for coming, and welcome to Louisiana.

Honorable Glen M. Anderson
Chairman
Committee on Public Works and Transportation
U.S.House of Representatives

Future of Southwest Louisiana Infrastructure Needs in reference to Regional Hearing on future of our Nation's Infrastructure Needs

Address By: Vernon F. Meyer, President of Meyer and Associates, Inc., Consulting Engineers, Sulphur, Louisiana.

Date: Monday, August 6, 1990

Honorable Chairman Anderson and Committee:

Southwest Louisiana, Villages, Towns, Cities, and Parishes are facing the same infrastructure need problems as found in most communities and counties throughout the United States. The average annual rainfall of 60" per year has probably created more problems associated with the wastewater systems and roads than are found in most areas of the United States. The soils of Southwest Louisiana are not the best suited for construction of roadways and utility systems thereby requiring increased costs for their respective development.

One of the most critical needs facing the public utilities today are rehabilitation and/or replacement of wastewater collection systems. Most systems that are aged from 20 to 100 years old have serious structural needs or deteriorated joint conditions. With the rainfall in Louisiana, this condition has caused abnormal amount of inflow/infiltration into the wastewater system and roadway failure above the lines. To transport, pump and treat the added wastewater flow makes the situation expensive for public utilities. All waste water systems are presently being mandated or going to be mandated by EPA to upgrade their treatment which is needed to improve our environmental conditions but is also adding an increased financial burden on the consumer.

The solution for funding these deficiencies in the infrastructure for public utilities and roads needs to be addressed now, in the same manner and magnitude as Congress did in 1972, addressing the wastewater program.

The recent adoption of a new Wetlands Mitigation Policy by the Army Corps of Engineers and U.S. Environmental Protection Agency will have a significant effect on future expansion projects for all Gulf ports, including the Port of Lake Charles. In Calcasieu Parish most of the larger undeveloped property tracts located adjacent to deep water (Calcasieu Ship Channel) can be classified as wetlands or partially wetlands. Thus as the Port develops new waterfront property it will inevitably be faced with the task of minimizing any detrimental effects on wetlands or possibly compensatory mitigation. The net result is that property development costs including the associated technical cost will be significantly higher.

Another problem that Port Authorities must deal with is dredged material disposal areas. As existing spoil disposal areas are filled, new disposal areas must be found. Again, most large undeveloped property tracts located adjacent to deep water can be classified as wetlands. The Corps of Engineers is currently performing a study of the remaining lifespan of existing dredged material disposal areas along the Calcasieu Ship Channel. It is possible that in the near future the Port will be faced with disposing of at least a portion of its dredged materials at sea. Trade development should also be considered in a possible solution of the new Wetlands Mitigation Policy.

Thank you for the honor of being able to appear before this committee to express brief comments in regard to our infrastructure needs of Louisiana and expansion capabilities of ports along the Gulf coast, and more specifically the Lake Charles Harbor & Terminal District Port's expansion efforts.

Presentation to the Full Committee on Public Works and Transportation of the United States House of Representatives

Presented by Dr. H. Edward Murray

McNeese State University
Lake Charles, LA

The economic growth and development of the State of Louisiana is highly dependent upon the quality of its air and water, not only for its residents, but for retention and expansion of existing businesses and attraction of new viable industry. The goal of providing more and better job opportunities has long been an activity of enterprising communities.

Experience has shown that most successful programs are the result of dedicated local leadership and supportive citizens. State colleges and universities play a vital role in the leadership of the community. Many of the new jobs in this region will be created through growth of existing firms. In order to facilitate that growth, businesses must be assured of receiving adequate information for addressing environmental concerns.

Petrochemical industries constitute a significant portion of the industrial base of the State of Louisiana. These industries have a profound impact on the standard of living that is enjoyed by the thousands of employees that represent their work force.

Louisiana (particularly Southwestern Louisiana) has long been known to have a high cancer rate. Citizens are apprehensive and fearful of public and industrial sources of pollution. Established Research Centers would address these concerns through data acquisition and field research aimed at obtaining results that will be used to solve regional and national problems. Local or regional universities generally have local support and public trust. These universities would serve as monitors for local environmental problems in contrast to a major university "out of" or across the state, for which public trust is not vested.

The impact resulting from injection wells, hazardous waste, effluents from public and industrial sources, air and ground water pollution are examples of pollution that concern the citizens of Louisiana. Research projects should be directed toward describing, quantifying, modeling and suggesting remediation for problem areas discovered during investigations.

Establishment of centers for environmental studies would provide pure and applied research involving environmental pollution. Results of these studies would be made available to local citizen groups, area industries, and parish, state, and federal agencies. The centers would provide information in areas involving contaminant hydrogeology, ambient air quality, environmental monitoring, collection and collating of new and existing data, and education of the general public.

The centers would work toward coordinating research efforts with regulatory agencies of the state and federal government, local and private agencies, and other state universities. Interfaces with appropriate data banks and agencies would be developed to exchange, consolidate, correlate, and summarize available data. State-of-the-environment information would be provided through state and local news media, workshops, seminars, and public forums.

Public trust in local universities should be an important consideration when establishing regional research centers. The success of McNeese State University in two large environmental studies demonstrates the wisdom of utilizing the talents provided by regional universities.

STATEMENT BEFORE
THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES
RELATING TO
CONDITION OF LOUISIANA'S STATE HIGHWAY SYSTEM
AND
SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION

BY

TED STOCKWELL

LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

AUGUST 6, 1990

Mr. Chairman, I am Ted Stockwell. I am representing the Louisiana Department of Transportation and Development, and will present our views relative to state highway conditions in Louisiana.

There are 58,522 miles of public roads in Louisiana which include 16,622 miles in the state-maintained system of highways; 32,118 miles in the parish-maintained systems and 9,782 miles of city streets which are maintained by municipal governments. The state-maintained system is under the jurisdiction of the State Department of Transportation and Development and will be primarily addressed in this statement.

A highway needs assessment is conducted annually by DOTD on the entire state-maintained system of highways as mandated by Legislative Act. Existing conditions (geometrics, surface condition, level and classification of traffic) are defined for each roadway segment in the state system and these existing conditions are compared against acceptable standards to establish deficiencies.

Results from our latest study which was completed in the spring of this year indicate that 786 miles within the state system are in critical condition, 72 miles of these highways being on the interstate or other arterial system with the remainder on the rural collector system. An additional 1,658 miles are assessed to be in poor condition with 260 miles of interstate and other arterials falling within this category. The above defined mileage (critical + poor = 2,444 miles) are in a condition which requires reconstruction or rehabilitation now.

Additionally, our study indicates that there are 4,252 miles of highways in the state system that are in fair condition and are projected to require rehabilitation within the next five years. Assuming an average cost figure of $125,000 per mile for resurfacing/rehabilitation, eliminating the backlog of existing surface deficiencies and providing for elimination of projected deficiencies will cost approximately $837 million in the next five years.

Passage of the Transportation Trust Fund (State) by the Legislature and electorate during 1989 will dedicate state gasoline and diesel excise taxes to operations of the DOTD and to capital outlay for transportation improvements. It is believed that we can expect funding of $80 million per year from the Trust Fund for surface rehabilitation of state highways. Assuming this figure, available state funds for rehabilitation will be $400 million during the next five years (compared with $837 million in projected condition deficiencies).

When comparing existing volumes of traffic to design capacity on defined segments of our highway system, approximately 470 miles are shown to experience capacity problems. One hundred fifty two miles in this category are included for major widening in the TIME Program, a state funded program adopted in 1989 to improve selected highways within an intrastate network. Elimination of remaining known capacity problems after implementation of the TIME Program is estimated to cost $575 million not counting new mileage with capacity problems which will accrue each year. Practically all of this mileage is included in the Federal Aid Primary system, a system for which we have received approximately $38 million each year for the last 5 years.

Shown in the table below are figures which indicate the current status of bridges on public roads in Louisiana:

	Total Bridges	Structurally Deficient		Functionally Obsolete	
		No.	%	No.	%
On State System	7,806	1,162	14.9	1,245	15.9
Off State System	6,398	2,509	39.2	1,316	20.6
Total	14,204	3,671		2,561	

These figures indicate that there are 2,407 bridges (30.8%) on the state system that are deficient, either structurally deficient or functionally obsolete. A total of 3,825 bridges (59.8%) on the local systems are deficient in some way. Department engineers have estimated that $1.068 billion is needed to replace all bridges in Louisiana which qualify for replacement. For the past five years, Louisiana has received $32-35 million per year in Federal Bridge Replacement funds. Using the $35 million per year level coupled with the necessary state matching funds (currently 80% Federal 20% State), it will take approximately 24 years to replace bridges which are currently defined as deficient.

Completion of I-49 in the urbanized areas of Alexandria and Shreveport will mark the end of approved interstate projects in Louisiana. Emphasis in coming years will be preservation of and capacity improvements to the existing highway system. New dedicated state funds and continued receipt of funds from the Federal Highway Trust Fund will allow us to construct many of these needed improvements.

Our State Transportation Department has provided input to and fully supports the position of AASHTO relative to the Surface Transportation Reauthorization Legislation. This position was presented to the Surface Transportation Subcommittee of this Committee in March of this year by Mr. Kermit Justice, President of AASHTO, and others. In addition to emphasis on preservation and congestion relief on the existing system, we support the idea of highway user fees being dedicated solely to funding transportation improvements. People of this state voted last October 72% in favor of dedicating state gasoline and diesel taxes to transportation improvements. Our Department also supports the two-component program, one being a categorical program focusing on meeting national requirements and the second being a flexible state and local program which will enable states and local governments to tailor transportation solutions to their unique needs.

Thank you for coming to Louisiana and allowing us and other citizens of this state to present our views.

STATEMENT OF
GERALD J. THEUNISSEN
AIRPORT MANAGER, JENNINGS AIRPORT
JENNINGS, LOUISIANA
BEFORE THE FULL COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES
AUGUST 6, 1990
LAFAYETTE, LOUISIANA

GOOD AFTERNOON, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM GERALD THEUNISSEN, MANAGER OF THE JENNINGS AIRPORT, A SMALL GENERAL AVIATION, PUBLIC-USE AIRPORT IN SOUTHWEST LOUISIANA. MY PREPARED REMARKS THIS AFTERNOON WILL ADDRESS THE VITAL ROLE GENERAL AVIATION AIRPORTS PLAY IN OUR TRANSPORTATION INFRASTRUCTURE WITH EMPHASIS ON LOUISIANA, AND A DISTURBING TREND IN LOSS OF AIRPORTS OPEN FOR PUBLIC-USE.

TODAY THERE ARE APPROXIMATELY 5,500 LARGE AIRLINE TYPE AIRCRAFT IN USE BY SCHEDULED CARRIERS, AND THESE SERVE ONLY ABOUT 572 OF THE NATION'S 17,000+ AIRPORTS AND LANDING AREAS. IN ADDITION THERE ARE ABOUT 18,500 MILITARY AIRCRAFT OPERATING IN THE UNITED STATES. THE REMAINING AIRCRAFT REGISTERED IN THE UNITED STATES FALL UNDER THE CATEGORY OF GENERAL AVIATION. THESE AIRCRAFT, NUMBERING MORE THAN 270,000 ARE OWNED BY INDIVIDUALS, BUSINESSES, CORPORATIONS AND

NON-MILITARY GOVERNMENTAL AGENCIES. THERE ARE MORE THAN 750,000 LICENSED GENERAL-AVIATION PILOTS IN THE UNITED STATES, WHO FLY MORE THAN 80 MILLION FLIGHTS A YEAR, CARRYING AN ESTIMATED 120 MILLION PASSENGERS. GENERAL AVIATION IS A MULTI-BILLION DOLLAR CONTRIBUTOR TO OUR NATION'S ECONOMY. WHILE THE ECONOMIC IMPACT OF COMMERCIAL CARRIER AIRPORTS IS WIDELY RECOGNIZED, WHAT IS OFTEN OVERLOOKED IS THE SURPRISING POTENTIAL OF SMALLER, GENERAL AVIATION FACILITIES.

THE LOUISIANA AIRPORT SYSTEM, GENERAL AVIATION ESPECIALLY, HAS HAD AN ERRATIC HISTORY. AFTER DECADES OF PROGRESS AND GROWTH, THE FISCAL AUSTERITY OF THE 1980'S HALTED PROGRESS AT MANY GENERAL AVIATION FACILITIES ACROSS THE STATE. COMMUNITY SUPPORT FOR AIRPORTS SUFFERED WHEN AVIATION HAD TO COMPETE FOR LIMITED PUBLIC FUNDS WITH OTHER PRESSING NEEDS.

LOUISIANA HAS 62 GENERAL AVIATION PUBLIC-USE AIRPORTS. THESE AIRPORTS REPRESENT A GOLDEN OPPORTUNITY TO IMPROVE TRANSPORTATION AND ECONOMIC DEVELOPMENT IN THE STATE. IN TALKING WITH POTENTIAL BUSINESS INVESTORS, THE QUESTION THAT IS MOST PROMINENT IN THEIR MINDS IS WHETHER OR NOT THEY WILL HAVE EASY AIR ACCESS FROM THEIR CORPORATE OFFICES TO THE BUSINESS LOCATION HERE. AVIATION IS GOING TO

BE THE KEY TO GETTING CERTAIN TYPES OF INDUSTRY TO LOCATE IN THIS STATE. THE AIRPORT PROGRAM, WHEN PROPERLY DESIGNED AND IN EFFECT, WILL DO AS MUCH FOR LOUISIANA FROM AN ECONOMIC DEVELOPMENT STAND POINT AS WILL THE NEW HIGHWAY PROGRAM.

A MAJOR UPDATE TO LOUISIANA'S AIRPORT SYSTEM PLAN, DESIGNED TO HELP THE STATE FACE CHANGING ECONOMIC CONDITIONS WITH AN INTEGRATED AIRPORT INFRASTRUCTURE, IS UNDERWAY AT THE LOUISIANA TRANSPORTATION RESEARCH CENTER. THE PLAN, WHICH IS A CONDITION FOR CONTINUED FAA FUNDING FOR EXPANSION OF THE AIRPORT SYSTEM, WILL RESULT IN A 5-YEAR CAPITAL IMPROVEMENT PROGRAM FOR AIRPORT DEVELOPMENT; AS WELL AS 10, 15, AND 20-YEAR PLANS FOR LONG-RANGE AVIATION NEEDS. A SPECIAL FEATURE OF THIS UPDATE IS THAT IT MARKS THE CREATION OF A PERMANENT AVIATION SYSTEMS PLANNING STAFF FOR DOTD, WHICH IN THE PAST HAD TO RELY ON CONSULTANTS FOR AVIATION SYSTEMS PLANNING.

THE LARGEST AIRPORTS IN LOUISIANA, THOSE SERVING COMMERCIAL AIR CARRIERS, HAVE NOT BEEN OF OVERRIDING CONCERN TO STATE OFFICIALS BECAUSE THEY GENERALLY SUPPORT THEIR OWN PLANNING AND DEVELOPMENT. BUT MANY GENERAL AVIATION, PUBLIC-USE AIRPORTS, RELY ON STATE ASSISTANCE TO MATCH FAA GRANTS FOR CAPITAL IMPROVEMENTS, AS WELL AS TO PROVIDE PLANNING AND TECHNICAL SUPPORT. THE RECENT APPROVAL

OF THE TRANSPORTATION TRUST FUND BY LOUISIANA VOTERS WILL RELIEVE SOME OF THE PROBLEMS OF THE PAST BY PROVIDING A STABLE SOURCE OF STATE REVENUE FOR AIRPORT CAPITAL IMPROVEMENTS.

THE NATIONAL PLAN OF INTEGRATED AIRPORT SYSTEM (NPIAS) IS PUBLISHED BY THE SECRETARY OF TRANSPORTATION FOR THE DEVELOPMENT OF PUBLIC-USE AIRPORTS IN THE UNITED STATES. THE PLAN IS LIMITED TO DEVELOPMENT THAT IS POTENTIALLY ELIGIBLE FOR FEDERAL FUNDING UNDER THE AIRPORT IMPROVEMENT PROGRAM. AS OF MARCH 31, 1989, NPIAS CONTAINED 3,273 OF THE NATION'S 17,000+ AIRPORTS. THE IMPORTANCE OF BEING INCLUDED IN THIS DOCUMENT CANNOT BE OVER EMPHASIZED. LOUISIANA HAS 58 EXISTING AND PROPOSED LOCATIONS INCLUDED.

THERE IS ONE DISTURBING TREND IN GENERAL AVIATION. BETWEEN 1984 AND 1989 THERE WAS A NET LOSS OF 289 AIRPORTS OPEN FOR PUBLIC USE. THESE CLOSURES OCCURRED DURING AN UNPRECEDENTED ECONOMIC UPTURN IN THE COUNTRY. SHOULD THE COUNTRY ENCOUNTER A RECESSION OR A DEPRESSION, THE RATE OF LOSS OF PRIVATELY OWNED, OPEN FOR PUBLIC USE AIRPORTS WILL BE SIGNIFICANTLY ACCELERATED. REASONS FOR AIRPORT CLOSURES INCLUDE: ENCROACHMENT BY SUBURBAN DEVELOPMENT; OPPRESSIVE REGULATIONS; HIGH REAL ESTATE TAXES; AND ECONOMIC RECESSION. A PLAN INVOLVING THE FAA STATE AERONAUTICS COMMISSIONS, AND REGIONAL

PLANNING AGENCIES MUST BE DEVELOPED TO IDENTIFY PRIVATELY OWNED ENDANGERED AIRPORTS THAT MUST BE PRESERVED. FUNDING WOULD THEN BE NECESSARY TO PRESERVE THESE ENDANGERED AIRPORTS.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

WETLANDS AND LOUISIANA

A TESTIMONY TO THE FULL COMMITTEE OF PUBLIC WORKS AND TRANSPORTATION OF THE UNITED STATES HOUSE OF REPRESENTATIVES

by

Robert R. Twilley, Ph.D.
Associate Professor
University of Southwestern Louisiana

The natural resources of Louisiana represent one of the most productive wetland and economic resources of the United States. The statistics are staggering: wetlands in Louisiana make up nearly 40 percent of the total coastal vegetation in the conterminous United States; the lower Mississippi River valley has the largest stand of bottomland hardwood forests and swamps in the U.S.; the wetlands in Louisiana regularly winter over two-thirds of the Mississippi Flyway's waterfowl population, including 20-25% of North America's puddle duck population; the Gulf of Mexico produced nearly 40% by tonnage or 28% by value ($781,000,000) of the 1986 U.S. commercial fisheries landings, most of which was caught off the coast of Louisiana. The stock of these finfish, crustaceans, and shellfish and other wildlife are dependent on the estuarine habitats that are degrading at an alarming rate. Present estimates are that coastal wetlands are disappearing at a rate of 50 square miles per year, or an area equivalent to the size of this auditorium per hour. In addition, only 20 percent of the original area of bottomland hardwood forests and swamps in the lower Mississippi River valley remain today. Thus the focus of national attention is deserving to a region that has historically received insufficient funding for the management of immense environmental problems.

The development of infrastructure for the enhancement of transportation in Louisiana has to consider the importance of wetland ecosystems to the cultural, economical, and ecological resources of Louisiana. One of the most important considerations is alteration in local and regional hydrology that controls the structure and function of both forested wetland and marsh habitats. The frequency and duration of flooding determines the distribution, density, and growth of plant and animal species in wetlands. These species have specific morphological and physiological mechanisms that provide adaptations to environmental constraints established by hydrologic conditions. These structural characteristics of wetland communities are also influenced by the conditions of fertility established by flow of water that contribute sediment and nutrients.

Wetlands perform many important functions in local and regional watersheds such as providing food and habitat for fish and wildlife, stabilizing shorelines and controlling erosion, and abating water quality problems by removing pollutants. These functions are also dependent on structure of wetlands and particularly the flow of water. Food and habitat depend on the health and growth of wetland plants; sediment and shoreline control depend on distribution and discharge of sediments; and nutrient and water quality control depend on biogeochemical conditions established from the frequency and duration of flooding. Thus both the structure and function of wetlands are determined by the hydrologic characteristics of a region. In the past twenty years of research on wetlands, **hydrology** has been established as the key environmental parameter that controls the nature of wetland ecosystems.

The management of hydrology in relation to the structure and function of wetlands must have an hierarchial approach including local, state and regional perspectives. The flow of water from riverine watersheds transports sediments and nutrients that contribute to the productivity of coastal habitats. For example, the freshwater and fertile nutrients transported by the Mississippi River are linked with the immense wetlands of coastal Louisiana resulting in one of the most productive fisheries in the world. Yet coastal oceanographers believe a specific balance of these linkages is required to provide food and habitat for economically important fisheries. Alterations to local and regional hydrology that tend to uncouple these natural resources may influence the quantity and quality of coastal ocean productivity in Louisiana.

Public work and transportation projects must consider and evaluate the potential change in structure and function of wetland communities associated with alterations in hydrology. Consideration should also be given to modifications of existing infrastructure that have attributed to the tremendous loss of wetland habitats in Louisiana. Louisiana is an excellent example of a region where ecologists and engineers must design public work and transportation projects that **interface** the transportation needs of society with the value of wetland ecosystems. This perspective has to include not only alterations from a local or state level, but also modifications of regional proportion that uncouple important linkages among riverine, wetland, and coastal ecosystems.

Public work projects may also benefit from the ecological functions of wetlands that provide free services to local and regional economies. Wetlands influence water quality of rivers and coastal environments by either serving as a source or sink of nutrients. Many primary pollutants, such as nitrogen and phosphorus, that contribute to the eutrophication of rivers and streams, are utilized by wetlands for increased growth. This enhanced growth increases the habitat and food value of wetlands, thus providing a positive feedback to aquatic organisms.

This function of wetlands as a nutrient sink has resulted in the design of these natural resources for the tertiary treatment of wastewater released from small municipalities. Although there are several pilot projects that exist, such as a study here at USL with the city of Thibodaux, much more research and development is needed to improve the efficiency of these ecologically engineered resources. Given the wetland resources and economic base of many small municipalities in Louisiana, along with a suitable climate, there is great potential for the development of these wetland/wastewater ecosystems. Public work projects through grants to cities in Louisiana should encourage these wastewater recycling projects.

In summary, I would like for this committee to realize the significance of its projects to the protection and utilization of wetland resources in the state of Louisiana. This is not only associated with those public work and transportation activities within our own state, but also those in the entire watershed of the Mississippi region. The coastal ocean productivity of Louisiana depends on important linkages among riverine, wetland and coastal watersheds of the Mississippi River basin. Engineering projects must consider the ecological significance of these natural wetland resources in the design of infrastructure. In addition, projects of public works should consider the utility of the free services provided by the function of wetland resources, particularly in the design of tertiary wastewater facilities.

Thank you for this opportunity to explain the importance of wetland ecosystems as ecological and economical resources in Louisiana. I hope you have an occasion to see the unique wetland resources of our state during your visit to Lafayette.

ADDITIONS TO THE RECORD

Statement of Louis P. "Nee" Beglis

Members of the panel, I am Louis P. (Neé) Beglis, Police Jury: Calcasieu Parish.

Statistics show parishes are responsible for 43.5 percent of highway mileage and 45.4 percent of bridges 20 feet or larger. Of this number of bridges 74.8 percent qualify for rehabilitation or replacement. It is essential for rural roads to be improved in order to link the interstate system and to market for agricultural, logging, manufacturing, tourism, and other industries.

While basic maintenance has been and will continue to be a parish responsibility, the federal role in construction and rehabilitation must grow substantially as the increase of trucks and equipment rises. These vehicles have increased in number and size. This, therefore, increases the rate of deterioration and requires more to reconstruct to adequate standards.

The federal aid secondary program should be converted to upgrade parish and other local or state highways where it is appropriate to relieve congestion. It should also be used to build new routes to carry increasing traffic as the new federal transportation legislation is drafted. We should include language requiring all money in the trust fund be released as it is received and reserves not to be allowed to accumulate. Also we should ask no tax on users fee be used to pay the national debt.

STATEMENT BEFORE

THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

OF THE

UNITED STATES HOUSE OF REPRESENTATIVES

Relating to

CONDITION OF LOUISIANA'S STATE SYSTEM OF AIRPORTS

AND THE REAUTHORIZATION

OF THE AIRPORT AND AIRWAY SAFETY AND CAPACITY EXPANSION ACT

By

JOSEPH D. LEVRAEA

LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DIVISION OF AVIATION

August 6, 1990

During the last half of the decade of the 70's and the early portion of the 80's, aviation in Louisiana experienced a period of substantial attention and growth due to an aggressive state aviation program, a responsive legislature, and fortunately, an economic atmosphere that provided sufficient financial resources for the program. Unfortunately, the attitude and foresight regarding aviation that was thought to be characteristic of our state and local leaders turned to apathy in the face of the diminishing revenues experienced by Louisiana during the last half of the 80's. For those who understand the economic importance of aviation to the health of an economy - local, state, or national - it is difficult to accept the lack of understanding that prevailed at that time and which resulted in such neglect. During this period, many airports in Louisiana were allowed to deteriorate or were unable to expand to meet current needs. Only those facilities which had achieved the ability to generate significant revenue were in a posture to adequately maintain their airports according to standards, or pursue any meaningful development activity.

It has been determined through an independent national study that the impact of civil aviation to the economy of this nation exceeds $522 billion annually. More importantly to Louisiana, the economic impact to this state alone is in excess of $4 billion annually. Aviation is a key element of the transportation infrastructure of any modern society at any level. Louisiana within the past two years has come to this realization, and with the overall endorsement of its citizens it has enacted legislation which resulted in the establishment of a transportation trust fund. A commitment has been made which dedicates all taxes collected on aviation fuels to the airport development program. This funding source within the transportation trust fund allows for the planning and project implementation needed to once again pursue an aggressive aviation program in Louisiana.

However, the economic dilemma and neglect of the previous four years has resulted in a program that is faced with a "catch-up" role for the next few years as it struggles to reconstruct a portion of the system which was not afforded proper attention and able to achieve compliance with current standards. Even though the appropriation available through the transportation trust fund represents the most substantial state funding allocation ever provided for the programmatic needs of the airports in Louisiana, these needs far exceed those which can be satisfied with state resources alone. Consequently, the assistance of the federal government through a state grant-in-aid program is essential to maintaining Louisiana airports at a developmental and operational status that appropriately satisfies the requirements of the national system of airports as established by the Federal Aviation Administration.

The Louisiana legislature recognized the need for efficiency in program implementation when it established the current transportation trust fund as is evident by the guidelines established under Act 451 of the 1989 regular session. It requires that all capital improvement projects must be selected in accordance with an objective Needs and Priority Process. This requirement provides reasonable assurance that only the most worthy projects receive priority attention based on criteria that most effectively promotes safety first. This is closely followed by projects chosen to preserve the existing system or upgrade the facility to meet current standards. The legislation also grants top priority to projects which receive funding assistance other than state. In such a situation, an airport which receives funding other than state at a participation of 90% or greater will be granted the highest priority when applying for state funds from the aviation appropriation within the transportation trust fund. This requirement mandatorily maximizes the amount of dollars available for capital improvement by leveraging additional financial resources from available grant-in-aid programs such as those typically offered through the FAA.

The Louisiana Department of Transportation and Development/Division of Aviation has been granted the funding mechanism to begin addressing the substantial needs of aviation in Louisiana. Along with the financial resources, it is also preparing to increase the personnel and technical resources of the Department to adequately administer the growing program. It intends to offer expanded services to local governments and airports statewide to ensure that the state system of airports in Louisiana receives the attention required to achieve and maintain its appropriate position within the national system of airports.

Now that Louisiana is in a position to help itself regarding aviation, it feels comfortable in requesting assistance from the federal government. It now has the ability to fully appreciate and maintain the integrity of a modern state system of airports. We are asking that any new aviation transportation policy adequately considers not only safety, capacity, security and environmental concerns but such things as economic development, air cargo and airport ground access. The role of the states should be strong in the area of locating, protecting, developing and expanding airports within their jurisdictions.

In summary, I would like to state that Louisiana has recently reidentified the importance of aviation to its transportation infrastructure and that it has provided the resources to address aviation needs. It is looking forward to a responsive program at the federal level to support the state system of airports regarding their role within the National Plan of Integrated Airport Systems. We look forward to a strong federal state partnership regarding aviation.

August 6, 1990

Glenn Anderson, Chairman
U.S. House Public Works & Transportation Committee
U.S. House of Representatives
Washington, D.C.

Dear Congressman Anderson,

The Republican Parish Executive Committee is excited about the new industry coming into the parish and the Abbeville area. It is good to see the parish job market becoming broadened and diversified. And it is encouraging that the oil field is gradually picking up. But we are very concerned about the traffic flow problems that are existing and that will worsen as our parish develops.

It is requested that your immediate attention be given to the improvement of traffic flow from Abbeville to the developing commercial areas in south Vermilion Parish. An increased congestion of commercial vehicles is occurring around Intracoastal City as we can see the increase of shrimping and oyster boats and the businesses to service them. Oilfield traffic has always been routed thru the city of Abbeville itself which congests downtown Abbeville, adds to the downtown noise level, and wears down the streets. As industry grows at Freshwater City and the Port of Vermilion, better routing of traffic will be needed to those areas.

Upon completion of the Four Laning projects of Highways 167 and 14 into Abbeville, further traffic problems will develop as this parish will become more desirable for business as well as tourism and residential development. To properly prepare for these events, some immediate steps need to be taken. The following proposals will also help some of the commercial traffic problems in the city of Abbeville.

First, extend Highway 167 at the Highway 14 "Business" intersection (Park and Port Streets in Abbeville) to a point south of Perry on Highway 82. This is a distance of five (5) or six (6) miles.

Second, realign Jacquelyn Street with Highways 330 and 82 (Alcide Drive, Jacquelyn and South State Streets) in Abbeville. Improve Jacquelyn and Veazey Road to Highway 14 east of Abbeville.

While these improvements will be of greatest benefit to business and industry, they will relieve the downtown business area of unnecessary commercial traffic. In turn, the old town business district can be preserved, making Abbeville a more desirable residential and tourest area.

Since our state constitution now provides monies dedicated to the highway system, these proposals can become realities. Your immediate attention and support is requested.

Sincerely yours,

Sawyer R. White

Sawyer White, Chairman
Republican PEC
1220 S. Henry St.
Abbeville, LA 70510

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

TUESDAY, AUGUST 7, 1990

House of Representatives,
Committee on Public Works and Transportation,
Victoria, TX.

The Committee met, pursuant to call at 9:04 a.m. in the Electric Co-op Building, 102 South Ben Jordan, Victoria, Texas, Hon. Glenn Anderson (Chairman of the Committee), presiding.

Present: Representatives Anderson, Laughlin and Hancock.

The Chairman. Good morning. The Committee on Public Works and Transportation Hearing on the future of our Nation's Infrastructure Needs will come to order.

I am especially pleased to be here in the great State of Texas and enjoying your community's gracious hospitality. I can clearly understand why my friend and colleague, your esteemed Congressman Greg Laughlin, looks forward to the times that he can come home to such warm and friendly people. I can see why his roots would run deep here.

I also would like to recognize our colleague Congressman Mel Hancock from the Seventh Congressional District of Missouri.

I want to welcome each of you here today and thank you for taking time from your busy schedules to share with us your concerns, knowledge and perspectives about your local infrastructure situation.

The immensity of our infrastructure problems and the fact that we are in Texas looking for solutions reminds me of a story I heard not long ago. It seems a group of Texans were visiting Niagara Falls and he said, I bet you do not have anything like this in Texas, the tour guide teased; well, no, agreed one of the Texans, but we sure have plumbers who could fix it. [Laughter.]

I also want to point out that the immensity of the problems that we are facing in this country is matched only by the talent of the people we have to solve them and Greg Laughlin is one of those talents. He is a dedicated, highly respected and effective member of Congress. I know these may not be the things he would mention about himself, but I can tell you that there is a lot here to brag about. Greg is one of our most energetic members of the Public Works and Transportation Committee and is on all three of our major subcommittees, Surface Transportation, Aviation and Water Resources. Greg has been an important part of legislation coming out of this Committee that will be a tremendous boost to the economy of this area. This is evident through his efforts to secure funding for maintenance dredging of the Victoria and Red Bluff channels. In addition, Greg alerted me and other members of the Committee to the erosion problem at Sargent Beach and the potential disruption of commerce—to commerce on the Gulf Intracoastal Waterway if the erosion was not dealt with immediately. As a result of Greg's work, he was able to secure $690,000 so that that work could begin immediately.

Further, on numerous occasions, Greg has had our aviation specialists and FAA officials working very hard on meeting the needs of your rural airport facilities. I will give him one thing, when it comes to protecting the needs of the Fourteenth Congressional District, Greg does not give up until the job is done.

In holding these hearings in various parts of the country, and in Victoria today, we are focusing on the infrastructure problems encountered at local and state levels. We want to review infrastructure needs with the people most directly involved and to hear a broad range of ideas that can resolve these problems.

As Greg and Mel know, when we talk about infrastructure, we are talking about the very cornerstone of our cities and rural communities. We are talking about one of the most serious challenges facing the American economy. Though infrastructure is not one of our more exciting subjects—nor is it a particularly favorite word—it is, however, crucial in that it provides the foundation for a sound economy and the life blood for the standard of living and quality of life that we all enjoy.

From our infrastructure hearings, we are beginning to see a magnitude in the volume of problems we had not anticipated. We are finding that there is a much higher price to be paid now, and in the future, for having shortchanged our public works investments in the past.

The questions we are working with today in Texas: What shape is your infrastructure in? How adequate is your network of roads and bridges? Are your water supply systems, sewers and wastewater treatment facilities functioning adequately to your needs? Are your public buildings, prisons, dams and facilities being sufficiently maintained?

And as we focus on your infrastructure system in Texas, I would ask you to keep in mind one particular conclusion economists have drawn in recent years; the rate of spending on infrastructure by the public sector is directly related to the growth of productivity in the private sector. Compare what happened between the 1960s and the early 1980s. The rate of public spending on infrastructure slowed by 83 percent and the rate of growth and productivity in the private sector fell by 62 percent. The reduction in infrastructure spending is pulling down productivity.

Now the United States ranks 55th in the world in capital investment. We are behind Canada, France, Italy and the United Kingdom in public works investments, and Japan spends five times more than we do in infrastructure. As a result of their investment, West Germany's annual productivity rate is three times that of our own. America's infrastructure is crumbling beneath our feet and, on a world scale, robbing us of our economic vitality.

In my home, I have a map on the wall of the United States and of the World, but the United States is the center of it and the Pacific Ocean is there because the Pacific is part of my area. Then we see Japan; and I look at Japan and it looks to me like I could put five Japans in California and I suppose I could put 10 of them in Texas. It is just amazing when I look at that to think that not only are they spending more than California, they are spending five times as much as the whole United States. You can hardly believe it, but that is what is happening and that is why their highways and everything else are so much better and that is one of the reasons why they can compete and sell things cheaper than our people can. I think we should know that.

What we have is this: For the the last 20 years, with the demands of a tight budget and inflation, the maintenance of public facilities—essential as they may be to the economy—keep being postponed until tomorrow. Well, tomorrow is here. Now, to determine where we must go, we first must assess where we are. We need to take a serious look at our infrastructure and decide what we intend to do about it.

And as we begin this hearing, I would make one organizational point: Because so many of you have been willing to participate in this hearing and because of time constraints, I am going to ask that you summarize your statements in a two or three minute presentation. You may be sure that your full written statement will be printed in its entirety in the official record of this hearing. Also, any of the witnesses that are going to appear before us, if you have not given copies of your testimony to the Committee clerks, we would like to have you give them a copy.

Okay, let us proceed. First, I would like to recognize Congressman Hancock for any opening remarks that he would like to make.

Mr. Hancock.

Mr. HANCOCK. Thank you very much. Actually, I do not really have any opening statement or opening remarks. I did not know until late Friday afternoon, that I was going to be down here this morning. I would like to compliment you, Mr. Chairman, on your opening remarks. The infrastructure over the whole United States is a major problem. I do not think anybody in this room will question that. We have lots of other problems like the savings and loan crisis and the situation over in the Middle East, but we do have to address the problem of productivity and transportation and communications within this country, if, in fact, we are going to be able to compete.

So, I just thank you for inviting me down to hear at least part of what is happening in the southern part of Texas. I am from the middle west, from Springfield, Missouri and we are very dependent upon our transportation systems and the infrastructure.

Thank you, Mr. Chairman.

The CHAIRMAN. Now, Congressman Laughlin.

Mr. LAUGHLIN. Mr. Chairman, I want to thank you and Congressman Hancock for both coming to the Fourteenth Congressional District. It is an honor to have you here to take a first hand view of listening to people who have first hand knowledge of the infrastructure needs. I would especially thank Congressman Hancock for being here, since he has a primary going on in Missouri today. It is token of his friendship that he is here and I think also a statement of his confidence in the electoral process in Missouri today in that he is going to spend over half the day in the Fourteenth Congressional District. I might note that he does have opposition in the primary. That is where the token word comes in. Mel and I are both confident that it is only token primary opposition.

Our infrastructure is important to our nation and particularly to this region. So, I will keep my remarks brief and, Mr. Chairman, I would ask unanimous consent that my longer formal opening statement be made part of the record.

Today, rather than being the pride of America, our transportation systems are becoming one of its limiting factors, restraining economic growth and opportunity. And as you so ably pointed out in your opening remarks, our competitors in the world market are far ahead of us in their commitment and investment in their infrastructure.

Pointing out a few other things, vehicular miles of travel on our nation's highways has tripled since 1956, from 600 billion to 1.9 trillion miles and they are projected to reach 3.7 trillion miles by the year 2020. In Texas alone, the 14 million registered vehicles travel about 150 billion miles per year. We will be hearing from Arnold Oliver shortly, the Engineer Director, on some of his concerns from his department's viewpoint.

The Gulf coast intracoastal waterway system provides the state's oil and chemical industries direct access to the midwestern markets. According to the Texas Transportation Institute the intracoastal waterway system has a direct economic impact on the State of Texas of 3.1 billion dollars and an indirect impact of 37 billion dollars, employs 127,000 people and contributes 400 million dollars in federal and state taxes.

The needs of Texas are staggering; 3,355 miles of paved rural highway in the State of Texas are rated as deficient under the Federal Highway Administration pavement condition rating system; that is, the pavement is in poor condition and in desperate need of resurfacing, rehabilitation or reconstruction.

Texas has a total of 44,718 bridges of which 14,149—that is 32 percent of our bridges, are either structurally deficient or functionally obsolete.

So, Mr. Chairman, when you consider those factors, our needs for our airports, while they do not measure up to those in Los Angeles or Houston or Dallas/Ft. Worth or New York, our airports, as you will hear, are just as important to rural America.

So in conclusion, Mr. Chairman, I want to thank you for coming to the Fourteenth District, bringing the Public Works and Transportation Committee and staff and Congressman Hancock to hear of our concerns and our needs. In conclusion, I would ask unanimous consent to introduce a letter from Congressman Inhofe to be made a part of the record. Congressman Inhofe from Oklahoma had intended to attend this hearing but he had a conflict that arose that he did not realize was the same day as this hearing. So, he has sent a letter that he asked to be made a part of the record. And also a letter that I have received from the Victoria, Texas Chamber of Commerce.

Thank you very much, Mr. Chairman.

The **Chairman**. No objection, so ordered.

[Mr. Laughlin's prepared statement, the Statement from Representative Inhofe, and the letter from the Victoria Chamber of Commerce follow:]

GREG LAUGHLIN
14TH DISTRICT, TEXAS

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEES
SURFACE TRANSPORTATION
AVIATION
WATER RESOURCES

COMMITTEE ON
MERCHANT MARINE AND FISHERIES

SUBCOMMITTEES
MERCHANT MARINE
COAST GUARD

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THE HONORABLE GREG LAUGHLIN
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
AUGUST 7, 1990

MR. CHAIRMAN, THANK YOU FOR THOSE KIND WORDS. IT IS TRULY AN HONOR FOR YOU TO TAKE THE TIME TO VISIT THE 14TH CONGRESSIONAL DISTRICT AND TO LEARN OF OUR INFRASTRUCTURE NEEDS.

I WILL KEEP MY REMARKS BRIEF TO ENSURE EVERYONE HAS A CHANCE TO BE HEARD TODAY.

AS YOU HAVE SO ABLY STATED IN YOUR OPENING REMARKS THE INFRASTRUCTURE NEEDS OF OUR NATION ARE GREAT.

TODAY, RATHER THAN BEING THE PRIDE OF AMERICA, OUR TRANSPORTATION SYSTEMS ARE BECOMING ONE OF ITS LIMITING FACTORS, RESTRAINING ECONOMIC GROWTH AND OPPORTUNITY.

SINCE 1982, THE PRODUCTIVITY GROWTH OF THE U.S. HAS BEEN A DISMAL .7 PERCENT PER-YEAR. HOWEVER, WEST GERMANY HAS EXPERIENCED A 2.9 PERCENT PRODUCTIVITY GROWTH AND JAPAN HAS EXPERIENCED GROWTH OF 3.1 PERCENT.

DURING THIS SAME PERIOD, JAPAN HAS INVESTED ABOUT 5.1 PERCENT OF THEIR PUBLIC INVESTMENTS IN THEIR INFRASTRUCTURE WHILE THE U.S. HAS ONLY INVESTED .3 PERCENT.

THIS DECLINE IN U.S. INVESTMENT COMES DURING A TIME WHEN THE DEMAND ON THE SYSTEM IS EXPECTED TO BE GREAT.

VEHICLE MILES OF TRAVEL ON THE NATION'S HIGHWAYS HAVE TRIPLED SINCE 1956, FROM 600 BILLION TO 1.9 TRILLION MILES AND ARE PROJECTED TO REACH 3.7 TRILLION MILES BY THE YEAR 2020. IN TEXAS ALONE, THE 14 MILLION REGISTERED VEHICLES TRAVEL ABOUT 150 BILLION MILES A YEAR.

THE NUMBER OF PASSENGERS ON COMMERCIAL FLIGHTS HAVE INCREASED FROM 208 MILLION IN 1973 TO 457 MILLION IN 1988 AND IS EXPECTED TO CONTINUE GROWING.

THE GULF COAST INTERCOASTAL WATERWAY PROVIDES THE STATE'S OIL AND CHEMICAL INDUSTRIES DIRECT ACCESS TO MIDWESTERN MARKETS. ACCORDING TO THE TEXAS TRANSPORTATION INSTITUTE THE GIWW HAS A DIRECT ECONOMIC IMPACT ON THE STATE OF $3.1 BILLION, AN INDIRECT IMPACT OF $37 BILLION, EMPLOYS 127,000 PEOPLE AND CONTRIBUTES $400 MILLION IN FEDERAL AND STATE TAXES.

IN ADDITION, ACCORDING TO THE DEPARTMENT OF TRANSPORTATION, OUR NATION WASTES 1.25 BILLION HOURS AND 1.38 BILLION GALLONS OF GASOLINE IN TRAFFIC CONJESTON ON LIMITED ACCESS HIGHWAYS EACH YEAR. BY THE YEAR 2005, THAT WASTE COULD SOUR TO 6.9 BILLION HOURS IN LOST PRODUCTIVITY AND 7.32 BILLION GALLONS OF SQUANDERED FUEL.

IT IS QUITE A SERIOUS CONCERN WHEN YOU CONSIDER THAT IF YOU ARE DELAYED 20 MINUTES EACH DAY IN RUSH HOUR, BY THE END OF YOUR CAREER, YOU WILL HAVE WASTED TWO WORKING YEARS.

THE NEEDS OF TEXAS ARE AS STAGGERING:

- 3,355 MILES OF PAVED RURAL HIGHWAY MILES IN THE STATE ARE RATED AS DEFICIENT UNDER THE FEDERAL HIGHWAY ADMINISTRATION PAVEMENT CONDITIONS RATING SYSTEM; THAT IS, THE PAVEMENT IS IN POOR CONDITION AND IN DESPERATE NEED OF RESURFACING, REHABILITATION, OR RECONSTRUCTION

- TEXAS HAS A TOTAL OF 44,718 BRIDGES, OF WHICH 14,149 (32 PERCENT) ARE EITHER STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE.

FUTURE OUTLAYS TO NOT ONLY MAINTAIN THE CURRENT SYSTEM, BUT TO IMPROVE IT TO ACCOMMODATE TRANSPORTATION GROWTH WILL BE STAGGERING. IN FACT, I HAVE HEARD A NUMBER OF ROUGHLY $100 BILLION.

STRANGELY ENOUGH, THE MONEY COLLECTED TO REPAIR OUR NATION'S HIGHWAYS AND BUILD NEEDED ROADS THROUGH A 9-CENT-PER GALLON TAX AND A FIFTEEN CENT PER GALLON DIESEL TAX IS GOING UNSPENT. OVER $19 BILLION SITS IN THE HIGHWAY TRUST FUND WHILE OUR TRANSPORTATION INFRASTRUCTURE IS IN SERIOUS NEED OF REPAIR AND EXPANSION.

WHEN THE HIGHWAY TRUST FUND WAS ESTABLISHED IN 1956, IT WAS CREATED FOR THE SOLE PURPOSE OF FUNDING CONSTRUCTION OF OUR NATION'S INTERSTATE HIGHWAY SYSTEM, NOT OFF-SETTING ACCUMULATING DEBTS OF THE FEDERAL BUDGET. PEOPLE HAVE PAID THESE TAXES WITH THE UNDERSTANDING THAT THEY WILL BE USED TO IMPROVE THEIR ROADS AND BRIDGES. THEY HAVE EVERY RIGHT TO EXPECT THE MONEY WILL BE SPENT AND NOT HELD IN THE TREASURY.

THE SAME CAN BE SAID FOR THE AVIATION TRUST FUND WHICH IS SUPPORTED BY AN 8 PERCENT AIRLINE TICKET TAX, A GENERAL AVIATION FUEL TAX AND OTHER TAXES HAS A SURPLUS OF $7.6 BILLION.

WE MUST INVEST QUICKLY AND WISELY IN OUR TRANSPORTATION NEEDS. TO DO SO, WE MUST TAKE THE HIGHWAY TRUST FUND OFF BUDGET AND RELEASE THESE FUNDS FOR THE PURPOSE THEY WERE INTENDED.

TRANSPORTATION NEEDS AND THE APPROPRIATE SOLUTIONS VARY BY GEOGRAPHIC REGION, BY STATE, BY SIZE AND ECONOMIC STATUS OF JURISDICTION. MOREOVER, THE NEEDS OF A SINGLE COMMUNITY WILL CHANGE OVER TIME. WHAT WAS A TOP PRIORITY NOW MAY NOT BE A TOP PRIORITY IN FIVE OR TEN YEARS. THIS MEANS THAT MAXIMUM FLEXIBILITY IS IMPORTANT IN FEDERAL PROGRAMS.

YOU CAN BE SURE THAT I WILL BE WORKING DELIGENTLY WITH CHAIRMAN ANDERSON TO MEET THE CHALLANGES WE FACE TOMORROW.

AGAIN, THANK YOU MR. CHAIRMAN AND I LOOK FORWARD TO TODAYS HEARING.

JAMES M. INHOFE
1ST DISTRICT
OKLAHOMA

PLEASE REPLY TO:
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CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2211

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Congreſs of the United States
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Washington, DC 20515

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August 3, 1990

The Honorable Greg Laughlin
U. S. Hou[illegible] of Representatives
414 CHOB
Washington, D. C. 20515

Dear Greg:

I regret that I will be unable to attend your infrastructure hearing on Tuesday, August 7th. I could have attended had it been Wednesday, as I originally thought, but as you know I am speaking to a national group on Tuesday.

Of course, I am familiar with your part of the country inasmuch as I used to develop in south Texas. Therefore, It would have been enjoyable, as well as productive. Our part of the United States has been undergoing a deterioration of infrastructure for a number of decades and I believe these hearings are most worthwile in bringing Federal attention into our districts. As a matter of fact, I am hoping to have one in my district on August 30th and I hope you will be able to come.

In the meantime, best of luck for a successful hearing.

Sincerely,

Jim

James M. Inhofe
Member of Congress

JMI:db

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Victoria
CHAMBER OF COMMERCE
700 MAIN CENTER, SUITE 101

August 6, 1990

The Honorable Greg Laughlin
United States House of Representatives
Washington, D. C. 20515

Dear Congressman Laughlin:

The Victoria Chamber of Commerce Transportation Committee appreciates the opportunity you have provided us in submitting our concerns on the transportation needs of our area. We applaud your efforts in arranging for the Public Works Committee hearing in Victoria for this purpose and respectfully submit the following transportation concerns.

Highway Transportation: Our committee recognizes the major role that good highways play in the economic well-being of our region, state and nation. We also recognize that major traffic routes served by two-lane highways fall short of meeting the safe and efficient traffic needs of an expanding economy. Businesses tend to locate and expand more rapidly in areas served by four-lane divided highways.

In the Crossroads Area, our committee believes several of our major traffic routes currently served by two-lane highways need to be expanded to four-lane highways. Not only is this important to our economic growth, but of major importance in the safe evacuation of citizens from the Gulf coast when a hurricane hits our area of the state. Our priorities in providing for four-lane highways are as follows:

1. Highway 77 north from Victoria to Waco: This highway is currently a major route for Winter Texans going to the Rio Grande Valley, for businesses sending and receiving goods from North and Central Texas and for citizens evacuation in the event of a hurricane.

2. Highway 87 from Port Lavaca to San Antonio: This highway is a major traffic route for businesses to and from the Crossroads area to San Antonio and West Texas. It is also used as a major evacuation route.

3. Highway 59 from Laredo to Houston: The Republic of Mexico has under development a super highway expansion from Monterrey, Mexico to Nuevo Laredo with a new bridge crossing to Laredo, Texas. Because Laredo is a major center for imports into Texas, this route is of major importance in transportation between Laredo and the Port of Houston.

P.O. Box 2465 • Victoria, Texas 77902 • (512) 573-5277 • FAX (512) 573-5911
ACCREDITED

Victoria Barge Canal: The deepening and widening of the 36 mile Victoria Barge Canal to a depth of 12 feet and a width of 125 feet is of utmost importance. This will provide for larger ocean going barges to move directly up the canal and thus add to the efficiency of business operation. This in turn, will enhance the ability of businesses which use the canal to compete in an international market.

Victoria Regional Airport: Airports are obviously important to any area of the state or nation. The Victoria Regional Airport, as the name implies, serves a seven plus county area. Funds are needed to build a new terminal building to replace the existing structure which is approximately 50 years old.

With increased economic growth expected in the Crossroads area with the expansion of such facilities as the Formosa Plant at Point Comfort, continued attention must be given to the airport to insure it meets the needs of the region. With this expected growth the airport must have proper funding to meet the increased traffic needs of the region.

If you wish further information regarding our committee's concerns on highways, the Victoria Barge Canal or the Victoria Regional Airport, please feel free to contact myself or Robert C. Martin, President, Victoria Chamber of Commerce.

Sincerely,

Harold Cobler

Harold Cobler
Victoria Chamber of Commerce
Transportation Committee Chairperson

HC/tb

The **Chairman**. Mr. Laughlin, Would you like to introduce our first panel?

Mr. **Laughlin**. In the first panel will be Mr. Arnold Oliver, Engineer Director, State Department of Highways and Public Transportation from Austin and Colonel Brink Miller, Corps of Engineers, Galveston Division, Galveston, Texas. Colonel Miller and Mr. Oliver, if you will come forward and if you have staff that is going to accompany you, they can sit on either side. Mr. Arnold, they have got you a name tag set up. If you will sit at the far left and, Colonel Miller, if you will sit to his immediate left.

TESTIMONY OF ARNOLD W. OLIVER, ENGINEER DIRECTOR, STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION, AUSTIN, TX AND COL. BRINK P. MILLER, CORPS OF ENGINEERS, GALVESTON DIVISION, GALVESTON, TX

Mr. **Oliver**. Good morning, Mr. Chairman, Congressman Hancock and Congressman Laughlin. We appreciate the opportunity to be here. We are also very appreciative of the interest that Congressman Laughlin has taken in the transportation system in the State of Texas. We recognize that Congressman Laughlin and the other members of your committee have provided over the years a tremendous amount of support for not only Texas but the entire nation.

I want to thank the Committee this morning for giving us Texans an opportunity to talk with you this morning about our infrastructure accomplishments and some of our needs. I am here today to highlight the highway and bridge issues primarily that we believe are particularly important to Texas.

Today Texas has a population of approximately 16 million people and we expect that to reach a population of about 20 million during the next decade.

To serve this population base we have the largest highway system in the country, about 305,000 miles of public highways. We have about 14 million registered vehicles. As Congressman Laughlin pointed out, that is approximately one vehicle for every Texan in the state. Our highways carry about 150 billion miles of highway travel annually.

We have as many miles of farm-to-market roads, approximately 43,000 miles, as there are miles of interstate system in the entire United States. The future of South Texas, as well as that of many rural areas of Texas rides on this farm-to-market road system. The people and products that move on this system bring the American values of mobility and economic prosperity to not only millions of Texans but others in the country.

As Congressman Laughlin pointed out, we also have more bridges, approximately 45,000, than any other state in the country. Many of our rural areas are crisscrossed with rivers, creeks and streams. Even in arid West Texas, we have bridge problems. Many areas flood during heavy rainfall. Too many of these bridges, particularly on local roadways, have deteriorated or are obsolete.

During the past several years, we have made travel on Texas highways safer than ever before. In 1970, 5.2 people died for every 100 million miles driven in Texas. In 20 years, in 1989, that rate had fallen by 60 percent to 2.1 people for every 100 million miles. Now, we have been very pleased to note the Federal Highway Administration's increased emphasis on safety in developing its highway reauthorization proposal which has been presented to Congress. We agree with the Federal Highway Administration that safety aspects of highway decisions must be timely, appropriate and must be fully integrated into the project development process.

In Texas, the shift from agricultural industry to maquilladora or twin plant industry in the Rio Grande Valley demonstrates the national imperative of Texas highways. Federal assistance must continue. That assistance has to reach out beyond today's interstate highway system. Texans must also receive a fairer return on their federal highway dollar than we have before. Today, we receive approximately one billion dollars a year in highway funding, which represents about 80 percent of our federal user fee payments into the highway trust fund, but only about a third of the department's annual budget. And our total funding from all sources, state and federal, will cover only about 60 percent of the identified needs in Texas.

We agree with the American Association of State Highway and Transportation officials that the first federal priority ought to be to preserve the highway system that we currently have. To replace our 77,000 centerline miles of state maintained network would take almost 100 billion dollars. So, we cannot afford to allow this system to deteriorate to the point of having to start from scratch.

To better enable us to meet the challenge facing us, we must have a simpler, more flexible federal program. The underlying responsibilities of the federal government for national defense, interstate and international commerce, and the safety and mobility of our people must shape the federal role in transportation. However, federal involvement should support and not inhibit the unique creativity and expertise that marks each of the states in this country. Federal red tape should not keep our roads and bridges from being upgraded.

In this light, we join the American Association of State Highway and Transportation officials in recommending a two-part program structure; a categorical or focused program and a flexible program for both highways and public transportation. This two-part structure would continue to address national needs, but would also allow states the flexibility to determine and address local needs. This plan would allow our state highway agencies the flexibility necessary to determine the best use of limited resources to preserve and expand our national and our local transportation infrastructure.

There are many other issues that, of course, are affecting highways and bridges in Texas which need to be discussed, but we believe that those we have raised before you this morning are the major issues of concern to rural Texas.

In conclusion, I want once again to thank the Committee for the opportunity to appear and present this testimony. Thank you very much.

The **Chairman**. Colonel Miller.

Mr. Chairman, Mr. Laughlin, Mr. Hancock, I am pleased to be here today to represent the Department of the Army and specifically the Galveston District of the Army's Corps of Engineers before this Committee to talk about the Corps' interest, pursuant to its civil works mission, in the nation's infrastructure.

Throughout the nation's history, as you know, the Corps of Engineers has actively participated in planning, design, construction, operation and maintenance of various aspects of the nation's infrastructure. Through our civil works program, the Corps has been engaged in the construction of waterways and harbors, flood control projects and large multiple-purpose dams. The Corps' military missions have resulted in the construction of large military facilities and bases, including the associated infrastructure that goes with those bases, housing, roads, water supply, waste treatment plants and solid waste disposal facilities.

During the 1980s, a number of studies were conducted by various organizations that focused on the long-term operation, maintenance and rehabilitation costs that our nation's infrastructure system would place on the shoulders of future generations. A report by the National Council on Public Works Improvement entitled "Fragile Foundations", confirmed what most of us believed from personal observation; that is, that the nation needs to develop solutions today to rebuild its infrastructure with systems which promise reduced financial burdens for the future. The council concluded among other things that the Water Resources Development Act of 1986 which made cost sharing mandatory for many types of water projects, would improve both project selection and reduce overall project costs. We in the Corps of Engineers concur with this conclusion and believe that the principle of cost sharing is important in maintaining our program's credibility.

We in the Corps share this Committee's concern for the future of the infrastructure, both those for which we have responsibility and for the rest of the infrastructure of the nation. Many of the nation's large metropolitan areas are experiencing critical transportation and flooding problems. For example, just in the city of Houston, which is in my district and for which I have responsibility, we have ongoing right now in various stages of planning, design or construction nine flood control projects. We have just gone out for bids to resume construction of the Wallaceville Reservoir project which will help alleviate the water supply problems in the City of Houston. We hope to begin construction in 1992 on the channel to Victoria to assist in the waterway to this location.

Additional new facilities are needed to accommodate future growth. At the same time, facilities that are in place, which must continue to function, are deteriorating and many are in need of major rehabilitation or replacement. The needs are great and the resources are limited; thus, there is a pressing need for establishing priorities for needed repairs and new facilities. Of course, the setting of these priorities will be no small task since the process will be complicated by the diversity of critical infrastructure needs competing for these resources. These needs include facilities for transportation, flood control, solid waste disposal, wastewater treatment, water supply and energy generation.

Now, on the local level, the Texas Gulf Coast also faces hazardous and toxic waste problems and serious erosion problems which also require resources. Additionally, the vital Gulf Intracoastal Waterway—as you mentioned in your opening remarks, Mr. Chairman, that link the Texas ports with the rest of the nation is in serious need of repair and modernization. Currently the Galveston District has embarked upon a review and evaluation of the infrastructure needs with recommendations to be forthcoming to the Assistant Secretary of the Army for Civil Works. So far, we have identified two immediate and critical needs. One involves a serious threat to the integrity of the waterway caused by accelerated erosion in the Sargent Beach area that threatens a seven mile breach of the waterway. The other identified need concerns the serious erosion problem that threatens the Aransas National Wildlife Refuge, the only winter habitat of the endangered whooping crane.

The Corps of Engineers stands ready to support the future federal role in solving the nation's infrastructure problem. Given the size and nature of these problems, there must be a vigorous pursuit of solutions. Not only must we use existing programs effectively, but we must establish new and creative approaches for effective partnerships between federal, state and local governments and the private sector. Having effective partnerships is not new to us in the Corps. In the Galveston District, for example, we presently have numerous design and construction tasks involving the state, cities, counties, navigation and flood control districts, port authorities, the U.S. Navy and the Maritime Administration of the Department of Transportation.

In summary, the Corps pledges its support and looks forward to continuing to work with the Congress, federal agencies, local governments and the private sector to accommodate our infrastructure needs.

Mr. Chairman, this concludes my statement. I would be pleased to address any questions.

The CHAIRMAN. Okay, I will start off with the first one for Colonel Miller. How would a breach in the Gulf Intracoastal Waterway, at Sargent Beach for instance, affect commerce and in a response plan, will you be working with local officials beforehand to take care of their concerns on how this would affect the local economy?

Colonel MILLER. Yes, sir. Right now the section of the beach that we are talking about is separated from—I am sorry, the Gulf Intracoastal Waterway at the location we are talking about is separated from the Gulf of Mexico by less than 600 feet and it is for a stretch of about seven miles. That particular portion of the beach is eroding at somewhere between 30 and 50 feet per year, which means that we have very little time left before the Gulf Intracoastal Waterway becomes the Gulf of Mexico along that stretch, which then would stop shallow draft transportation through that stretch of the waterway. The Gulf Intracoastal Waterway would no longer exist at that location. There are about 17 million tons of traffic that traverses that particular stretch of the waterway each year. That is a tremendous economic benefit to the nation and to, of course, those ports and industries along the Texas coastline. So, a breach of the waterway essentially says that transportation can no longer move along the waterway and needs to move some other way if it is going to move. That means either plants will close along those locations, and particularly south of that location, or alternate transportation means would be necessary. It would have to go by rail; it would have to go by road and the infrastructure does not exist to carry those quantities off traffic. We are talking like 600,000 rail cars. It is just more than the nation can handle.

The CHAIRMAN. Thank you, Colonel.

Colonel MILLER. Excuse me, sir. You also asked are we working with local officials. We certainly are. We have completed the reconnaissance phase of that study. We are accelerating the feasibility phase and hope to begin construction on a solution to that problem in 1994.

The CHAIRMAN. I suppose it is important to know how to work with the local officials to take care of their concerns because this could affect the local economy.

Colonel MILLER. Yes, sir, absolutely. And they are very much a party to the work that we are doing with respect to solving that particular problem.

The CHAIRMAN. Mr. Oliver, you talked mostly about highways and one thing you said kind of interested me. You said, we must have a simpler, more flexible federal program. Can you tell me what you are thinking of? How can you have a simpler, more flexible federal program?

Mr. OLIVER. Yes, sir, I think so. At the current time, we receive federal funding for highways in about 34 different categories of funding. Most of these categories have very tight, very strict regulations as to how this money can be used, the qualifications for the projects for which these monies can be used. Often times the restrictions on these particular categories do not allow the flexibility of the state to address the real needs of that state. These categories are determined from a national standpoint and they may or may not be pertinent to a lot of the local needs. And the paper work and the time involved in this is, we feel, in our opinion, is restrictive. We think that a much simpler, more flexible program would allow the states to carry out the national interest on a system of highways of national significance, as well as be able to address in a more timely manner the local needs for local areas.

The CHAIRMAN. It is your turn, Greg.

Mr. LAUGHLIN. Thank you, Mr. Chairman.

Arnold, I want to compliment you and the very fine staff that we in Texas have at the Department of Highways and Transportation. I want to thank you for the very competent, courteous manner in while you all work with me, both here in Texas and your trips to Washington to sell the needs of our infrastructure here in Texas. But, I must ask you, hearing so much about the congestion problems in the urban areas, what has our department in Austin done to insure that we in rural Texas have quality transportation—road transportation available for us?

Mr. OLIVER. Of course, our former Highway Commissioner, Mr. Robert Lanier who was chairman of our Commission several years ago, made the statement that unless we solve the problems of urban areas in Texas, that the economy of Texas will soon become stagnant. So in response to that, we have been concentrating a great deal of our resources on solving the congestion problems in the urban areas. We have recently however begun an effort in the State of Texas to develop what we call the Texas trunk system, which is a network of rural highways in the state which will be developed to a standard of four lane, divided, or better. It would include the interstate system. It would be a system of approximately 11,500 miles in size and it would, as I say, primarily serve the rural interest by connecting our major urban centers, our ports of entry, our defense establishments, to provide an overall system of highways in Texas that we feel would adequately serve the needs of the entire state. Our hope is that should the new reauthorization bill in Congress adopt the proposed AASHTO method of a system of highways of national significance, that hopefully this system will fit very neatly into that and would be basically our definition of our portion of the federal system of national significance.

Mr. LAUGHLIN. Can you tell us what local input from officials your department has sought in developing the trunk system and if you have added or deleted roads on the basis of that input?

Mr. OLIVER. We initially developed a system of roads on this trunk system of approximately 9,000 miles. At that time, we went out across the state and had a series of 10 public hearings in various regions of the state to receive input from the public on what roads they would like to see on this system. After making this series of 10 public meetings, we took the hearing data, digested it, modified the system and added about another 1,200 miles to that and then we recently in Austin had another public hearing, statewide public hearing to receive input on the revised map. Now, we are in the process of taking that hearing input and probably adding some more to that system based on the comments that were given at that hearing. So probably, our final system is going to wind up somewhere around 11,000 and 11,500 miles.

Mr. LAUGHLIN. Thank you.

Colonel Miller, I have to thank you and your staff because it seems like every week I call with some problem on the Intracoastal Waterway System or one of the canal systems, or something going on. You all have been very responsive to the inquiries that either I have made or my staff has made. You have been in touch a great deal and are very familiar with the problems that we have and I appreciate your support on the Victoria Barge Canal and on the erosion problems that we are experiencing on the Gulf Intracoastal Waterway System. I would like to follow up on a conversation we had some time ago about the erosion. It has been suggested by several people from the 14th District that we look at using dredge material, that was clean, as nourishment. I wonder if you can give us a quick, short report on where we are on using clean dredge material for nourishment of our erosion—areas that are eroding?

Colonel MILLER. Yes, sir. Obviously the use of dredge material in beneficial ways is the best thing to do with dredge material. It can be used as a resource rather than something you have to put somewhere to get rid of it. The only problem with using dredge material to nourish beaches is that you need beach quality material in order to do that. In general, the material that comes out of the Gulf Intracoastal Waterway is not beach quality material. It is not sand. It is silt and that material is not effective in nourishing beaches. There are seven outlets along the Texas Gulf Coast that have outlets into the Gulf of Mexico that have various qualities of sand that can be used for nourishing beaches and where that sand is good quality, then, yes, we use that material to nourish beaches. I do not think that is the solution to the Sargent Beach problem. I do not think that any material we put along the Sargent Beach area would stay there. So, I guess, the bottom line is that the solution that we are looking at to solve the erosion problem at Sargent Beach is a structural solution. Now, we will build a protective wall of some kind.

Mr. LAUGHLIN. I understood that part. I just want to go beyond that because there has been a great deal of discussion, all up and down the coastline, about what do we do with dredge material and that has been one of the suggested uses.

Colonel MILLER. Yes, sir. And, as I say, there are—there are outlets to the Gulf of Mexico where we do dredging that the sand—or the dredge material there is beach quality material and where we find that, we will make every attempt to that on the beaches.

Mr. LAUGHLIN. That is all the questions that I have. Thank you, Mr. Chairman.

The CHAIRMAN. Congressman Mel Hancock.

Mr. HANCOCK. I do not really have a question but I would like to make a statement, especially for Mr. Oliver. I, for one, and I think Greg and the Chairman, also, we are working extremely hard on trying to get the highway trust funds released. I figure that this audience will probably be interested in that, too. If we get that done, that would go a long way toward at least starting on the problem.

Mr. OLIVER. I agree with you.

Mr. HANCOCK. That is all I have to say, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. LAUGHLIN. Our next panel will be Mr. Patrick Rhodes, Airport manager, Victoria Regional Airport, Mr. Hartley Sappington, Director of Community Development in Georgetown, accompanied by Travis McLean, Airport Manager at Georgetown Airport and Mr. Bob Hart, City Manager of Georgetown. Also a member of the panel is Mr. Doug Baker, Airport Manager, Brenham Airport, Brenham, Texas; Mr. Eugene Johnson, Airport Manager, Aransas County Airport, Rockport; Mr. Bill Blackwell, representing the Cuero Airport and Mr. Charles Williams, Airport Manager, Bay City Airport. I have just been handed a note that Mr. Doug Baker from Brenham has not arrived, so if he does, we will catch him later in the hearing process. Let us just begin and go in the order that we have on the list. Pat Rhodes, if you will begin, we will hear from your first.

TESTIMONY OF PATRICK RHODES, AIRPORT MANAGER, VICTORIA REGIONAL AIRPORT, VICTORIA, TX; HARTLEY SAPPINGTON, DIRECTOR OF COMMUNITY DEVELOPMENT, GEORGETOWN, TX; EUGENE JOHNSON, AIRPORT MANAGER, ARANSAS COUNTY AIRPORT, ROCKPORT, TX; BILL BLACKWELL, REPRESENTING CUERO AIRPORT, CUERO, TX; AND CHARLES WILLIAMS, AIRPORT MANAGER, BAY CITY AIRPORT, BAY CITY, TX

Mr. RHODES. I certainly appreciate the opportunity to come and talk to you about the Victoria Regional Airport and its role in the transportation infrastructure in this area.

I would like to follow Mr. Anderson's lead on capital improvements or capital expenditures and just highlight some of the things that I have submitted to you in my written report.

In the five-year capital improvements program that this airport presently has on file with the FAA, we have several projects, including building a new terminal building for commercial air travel, improving the ramp and taxiway areas, rehabilitation of two of our runways, working on our underground drainage system and installing new taxiway lighting cable and also upgrading our instrument landing system.

If I could take some time to emphasize some of these points. First of all, as an overview, this facility is a surplus military base. It was deeded to the county in 1961 and there has been very little capital improvement done since then if you look at the overall scale of things.

The terminal building that we are presently using was constructed in 1952 and designated as a semi-permanent structure. It has served us well but we have outgrown it. As an example, in 1987, we boarded 11,410 passengers; in 1989, we boarded 19,592 and my projections for this year is that we should exceed 24,000.

As we all know, one of the emphasis items in aviation today is the security of civil aviation. In the FAA advisory circular that defines the space needs for screening and departure areas for nonhub airports, they recommend you have 650 square feet for passenger loading, we have 240.

Our ramps and taxiways were built either in 1942 or 1952, depending on which areas we are talking about. We have been able to upgrade two of our runways in the last three years—I am sorry, the last five years. And the other two runways are in reasonably good shape, particularly considering their age.

On our underground drainage system, it is still functional but it has been in the ground for at least 35 years and most of it longer than that. Some of our taxiway lighting cables were installed by the Air Force prior to abandoning the facility.

All of these items are things that we can accomplish and that we are working on and that is with the assumption that the Airport Improvement Grant Program continues to be funded and continues to apply to this size of an airport.

In summary, each of our capital needs requires significant capital outlay. This capital requirement makes a continuation of enplanement entitlements through AIP as central to the continued growth and success of this airport. Although most conversations concerning the Passenger Facilities Charges centers around large hub airports, they are important to all airports, including this one. Your support of these valuable revenue sources is essential to the future of Victoria Regional Airport, and we certainly appreciate it.

I thank you for your time.

Mr. LAUGHLIN. Thank you.

Hartley, if you will proceed.

[The prepared statement of Mr. Rhodes appears on p. 890.]

Mr. SAPPINGTON. Mr. Chairman and members of the Committee, the City of Georgetown is pleased to be presenting to the Full Committee on Public Works and Transportation of the U.S. House of Representatives in its regional hearing on the future of our nation's infrastructure needs. The need for replacement, expansion and upgrading of the current and future public works infrastructures is of high priority at every level of government and must be dealt with in view of government's funding for all services.

Today, we wish to speak to the Committee on a user fee funded government operation that is of vital concern to all communities and states—airports—particularly business services airports.

While the nation's scheduled air carrier airports are the most visible component of the United States air transportation system, the majority of aircraft operations take place at smaller airports that serve the general aviation component. These airports make up over 80 percent of the airports in the National Plan of Integrated Airport Systems and over 90 percent of the facilities in the Texas Aeronautical Facilities Plan. The objective of these plans is to direct federal and state resources to airports which best support the Plan's goals of increasing system capacity, providing safe access by air to centers of population, industry, agriculture and natural resource development and fostering economic development.

In the past, small airports, such as Georgetown Municipal Airport, were considered recreational flying airports, but today these airports are considered key economic development factors for a community. It is recognized by the states' business and government leaders that the economy of Texas is in transition and the general aviation system will play a strong role in support of the transition.

The City of Georgetown is committed to continue to encourage diversified economic growth in the community and recognizes that a key factor to this growth is its airport. The economic development growth may hinge on the airport being able to respond to these growth needs as they are presented. These needs include safe runway approach areas, adequate runway lengths and up-to-date communication and guidance systems.

Since 1987, the City with Airport Improvement Grant funds from the FAA has totally reconstructed the main runway, constructed an additional 20,000 square yards of aircraft parking apron, the main taxiways have received an asphalt overlay, aircraft run-up ramps have been constructed at each end of the main runway and clear zones have been purchased to protect the approaches to both runways. The FAA funds have amounted to 1.3 million dollars and City funds to $128,000.

In addition, the City has funded entirely the installation of a jet fuel dispensing system, completely upgraded the av-gas fuel dispensing system, installed new property line fences, cleared three acres of newly acquired clear zones, constructed an auto parking area adjacent to the Terminal Building and repaired the access ramps to a city owned commercial hangar at a total cost of $65,000.

The City is currently working with the FAA and the Texas Department of Aviation to extend the main runway 900 feet to the south; from 4,100 feet to 5,000 feet in length. This project will ensure the continued safe operation of the airport and is an important step in the City's economic development program. The City will receive a $600,000 FAA grant in the current fiscal year for the first year of a projected three-year program of this project. We urge the Committee to favorably consider the continued funding of this 2.7 million dollar project.

In addition to the runway extension, the City has submitted a pre-application for federal funds to the FAA for the following projects:

A. Installation of a partial instrument landing system consisting of a localizer and marker beacon;

B. Installation of deer-proof fences at the airport; and,

C. Reconstruct the center 75 feet of the cross-wind runway.

Each of these projects is considered extremely important to the continued safe and efficient operation of the airport. We ask that the Committee continue funding the FAA Airport Improvement Program to the fullest extent possible in order that small airports like Georgetown Municipal will be able to continue to receive the funding that is essential to their ability to meet the demands of the state's air transportation system.

Mr. LAUGHLIN. Thank you, Hartley.

Gene, if you will proceed.

Mr. JOHNSON. Good morning, Mr. Chairman, Congressman Laughlin and Congressman Hancock.

The future of our nation's transportation system is closely interwoven with the General Aviation Airport System and one cannot survive without the other. All future planning and development of our nation's Air Transportation System must include large and small general aviation airports and the communities they serve.

The development of the finest aeronautical system available, should be the goal for our country. It will require a concentrated effort by state, local and federal government to achieve; however, it is a realistic goal.

The economic strength and future growth in Texas and the nation is dependent on new and expanded businesses. Today, more than ever before, stable business growth relies on fast and efficient transportation. The market place of tomorrow will demand almost immediate transport of high priority business people and products. Recreational travelers who have limited time and distant travel goals, also need rapid transportation options. Air travel is the one method of rapid transportation that is already in place and ready to be expanded.

To ensure continued growth of our general aviation airports in the future, two major problems need to be addressed. Legislation introduced to lessen and limit the product liability of manufacturers of aircraft, aircraft parts and accessories. The lack of any control has caused the price of aircraft parts and new manufacture to rise beyond a marketable price, eliminating most manufacturers of single engine aircraft. If any change is to be effected this issue must be addressed and a solution found.

Increased improvements in facilities and navigation aids at business class and smaller airports. The present system of funding through the AIP program seems to be directed to the larger commercial service airports, which are much more able to support themselves through many varied resources. We cannot allow our smaller airports to deteriorate while the AIP fund has tens of millions not being spent. The method currently in place for selecting and placing of navigation aids really seems to be a Catch-22 arrangement, as the need for improvements is based on the number of actual instrument approaches filed and flown; however, if a minimal system is in place, few pilots bother to file an instrument approach to your airport. This needs to be redefined to a more realistic system that will allow growth at smaller facilities.

I do sincerely thank you for this opportunity to present my views on the needs for general aviation in the future.

Mr. LAUGHLIN. Thank you, Gene.

Bill, if you will proceed.

Chairman Anderson, I appreciate the opportunity to appear before you and your committee this morning in regard to the infrastructure needs in Congressman Greg Laughlin's 14th Congressional District.

I would like to make two separate statements, one on airports and one on highways.

First, the DeWitt County Airport Development Committee has requested an airport improvement program study. There is only one airport in DeWitt County, located in Cuero, the county seat. The airport is only 1,800 feet long and the possibility of expansion is limited because of its location between State Highway 87 on one end and the Southern Pacific Railroad on the other.

The federal assistance grant to conduct the study was approved by the Golden Crescent Regional Planning Commission board of directors in 1985. The DeWitt County Commissioner's Court sponsored the application, along with the cities of Cuero, Yoakum and Yorktown. Part of our problem is the "cart before the horse" philosophy. Our airport is too small for everything except the smallest of planes and we are unable to show we need a larger airport because the traffic is low on our current airport.

The FAA has told the Texas Department of Aviation that it is unlikely that they will fund the project due to the low activity levels at Cuero Municipal Airport. If we cannot get a new airport, we may even have a bigger problem as Cuero Municipal Airport may be shut down if funding is not provided for repairs and upgrading according to the Texas Aeronautic Commission.

The survey on airport needs would document how much a new field with a longer runway would be used. The survey would also attempt to document the loss of companies that choose not to locate in the county because of inadequate airport facilities. This could be a significant factor in reviving our local economy.

Second, I serve on the Long Range Planning Committee of the Guadalupe-Blanco River Authority Board of Directors. As part of our project, we are looking into population projections and the water needs for this area for the next 50 years.

Because of this study, I feel state highway 183 from Cuero to Austin is being overlooked on the recently announced Texas Highway Trunk System. Victoria, Port Lavaca and the access of the coast from our state capital would be greatly enhanced.

This concludes my remarks.

Mr. LAUGHLIN. Thank you, Bill.

Charles, if you will proceed.

Mr. WILLIAMS. Good morning, Chairman Anderson, and both Congressmen. I am here to speak to you on general aviation and how it is important to the Gulf Coast region.

I think the economy of Texas has undergone a change in the past ten years and it has gone from real good to real bad and all of us in general aviation has suffered from this. Our airports have seen a reduction in traffic, fuel sales, rentals and aircraft sales. The oil and gas industry, the savings and loan downfall and a job shortage have all been factors in this program. Now, I think we can see a little improvement and maybe a light at the end of the tunnel.

I believe the economy is starting to make a swing towards improving and I can see it at my airport and also in the City of Bay City. Fuel sales are increasing, hangar rentals are up and student activity is increasing in our airport. With this small improvement to our economy, we have to look to the future and be prepared. We have to have our airports upgraded to meet the traffic because when the economy gets good again, general aviation will get good again. General aviation will transport people for recreation, as well as industry. The petrochemical, plastic, oil and gas, farming and seafood industry will benefit from general aviation.

I am more familiar with the region I live in on the Gulf Coast area between Galveston and Corpus Christi. I think it is some of the least developed part of the Texas Gulf Coast. This part of the coast is important to most of us in this room and I believe it will be the next big boom area of the Gulf Coast. I believe that our part of the region is a prime area because of the jetty project at the mouth of the Colorado River, the South Texas nuclear project and also state highway 35 which comes within three miles of the airport and through Bay City which is a major thoroughfare down the coast.

The jetty project and the development of the Colorado River from the mouth to the port of Bay City will open up an offshore fishing and shrimping industry for our area.

Also, the barge traffic up the Colorado River will increase the prospects of industry along the river from Matagorda to Bay City. The South Texas nuclear project will also attract all kinds of industry with the ready supply of power for these people's use.

We have already seen the effects of this growth through inquiries that we receive at our chamber of commerce. K-Mart, HEB, Wal-Mart and Sutherland Lumber Company have just expanded their businesses in Bay City and all of them use the airport. With new and expected growth, we must look forward and have our airport ready. We must attract business to our airport and our community. With this growth and added business, general aviation will play a very important role.

General aviation can become a viable source of income for your local economy.

Thank you.

[The prepared statement of Mr. Williams appears on p. 893.]

The CHAIRMAN. My first question is; particularly from a rural aviation viewpoint, I would be interested to know more about the role that you play in the community's economic revitalization efforts. Is there a consultation and an active exchange among all parties involved?

Mr. SAPPINGTON. Mr. Chairman, I believe there is a quite active conversation going on between the local government, the business community, that is, in the rural communities, as well as the economic development entities that are going out and recruiting business that has come in. Often a key question that comes up is what type of air facilities are available to our corporation if we establish a plant in your community. So, I think there are a lot of conversations going on in that regard.

The **Chairman**. So you would be involved in discussions when you mentioned earlier that each end of your airport was blocked by a railroad or a highway and you would be involved with these people in discussing what their possible solutions might be and so on?

Mr. **Sappington**. Yes. I think it would be a very aggressive discussion going on to look for alternative sites to present to the FAA as to viable options. This is not occurring in my community but I think if that was the case, I would be.

The **Chairman**. Greg.

Mr. **Laughlin**. Thank you, Mr. Chairman. I do not have any questions but I do want to tell each of you that I have got a letter report addressed to me from Jim Oberstar, Chairman of the Aviation Committee that addresses many of the things that you have been in contact with me about that we have discussed in the past. I just received it, so if you will see Jim Greenwood over here on my staff, if we do not have enough copies, I will certainly get it mailed to you.

Mr. Chairman, I will tell you first hand that going into the Cuero airport takes an act of courage or desperation and my only experience of going in there is one of ignorance. [Laughter.]

I had my then seven year old son in the plane with me and the pilot was a former jet pilot or I do not believe we would have made it in there. I was glad that we made it in and made it out. I found out later while talking to my good friend Bill Blackwell that twin engine planes cannot take off with a full load out of that airport and I am glad the weather was good the day I was in there with my son and had a hot shot pilot that knew how to take those kind of jet pilot takeoffs that are necessary.

Bill, you were right out front. We are going to be able to get some study money, I think, to help Cuero in alleviating the Catch-22 problem that you are in. You have an airport that planes cannot land in and the other group is telling you, we cannot even help you because you do not have enough air traffic. Now, if they will go out and get a bunch of suicidal pilots, I know that you all can get that rate up, but I will not be on one of those planes.

I can tell you that as to your 183 inquiry, just two weeks ago in Washington when David Swallow from Arnold Oliver's staff was there checking with members of Congress from Texas on things that we see are needed in our district as they are working on their trunk plan, that highway 183 was one of those not on the trunk system that we talked about. David committed to me that the staff would be looking at 183 because it serves more than just Cuero to Austin. And as we looked at the map, we were able to see that the entire Gulf Coast and currently the highway running from Port Lavaca through Victoria through Cuero to San Antonio is on that trunk system. But we just need to connect the Gulf Coast area to the state capital and that is what 183 does and they committed to look at that. So, in making those comments, we have the report from Oberstar and I will certainly continue working with you as well.

Mr. **Hancock**. I have no questions. Thank you, Mr. Chairman.

Mr. **Laughlin**. Thank all of you very much for your time.

The next panel will be the economic development panel, Mr. Neil Amsler, President of Victoria Economic Development Council; John Fritz, Economic Development Representative of Gonzales County Electric Cooperative and Carl Hutchinson, President and Chief Executive Officer of Cyclean. Gentlemen, please come forward. Neill, I believe you are where you are supposed to be and when you are ready, if you will please proceed.

TESTIMONY OF NEILL AMSLER, PRESIDENT, VICTORIA ECONOMIC DEVELOPMENT COUNCIL; JOHN FRITZ, ECONOMIC DEVELOPMENT REPRESENTATIVE, GONZALES COUNTY ELECTRIC COOPERATIVE; AND CARL HUTCHINSON, PRESIDENT/CHIEF EXECUTIVE OFFICER, CYCLEAN

Mr. **Amsler**. Greg, I want to thank you for promoting me. I have not been able to get my group to do that.

Mr. **Laughlin**. Well, when I read that, I knew that was wrong. I am glad that Michael Hunter is not here, but sometimes things get typed wrong. We will not demote you unless you do a poor job here.

Mr. **Amsler**. Okay, I will try not to.

I would like to make a short statement first. South Texas is—due to a number of reasons, possibly going to be one of the parts of the country that realizes substantial growth in the near term future. The environmental laws—along the coast of the—the Gulf Coast, we have seen the petrochemical industry be a major driver of the coastal economies. The environmental laws that are coming down and judicial decisions that are coming down are creating a situation where, I think, that from Houston eastward growth is going to be significantly restricted in the coming years and the area from Houston southward is going to have an opportunity to grow at faster rates probably than we have seen in many, many years, maybe ever.

We also have a situation in the United States where labor is a problem. We are not growing in most areas of the country, our labor force is not, but in south Texas, we are going to have a continuous supply of labor, both from, you know, the growth of our existing population and immigration as well. So, I think we have an opportunity here to capitalize on and we have an infrastructure existing today which we are all talking about. I think we are hitting our problems and I am going to get into that too, but I think our existing infrastructure exceeds most areas of south Texas, if not all areas of south Texas. And, you know, with the trends that are occurring, combined with what we have got and what we hope we can get in the future, that we are starting to talk about here, I think, you know, we are going to see a tremendous amount of growth in this area.

We have had experts talk about highways already and the airport. I would like to say that with respect to the highways, the one link between Port Lavaca and Victoria on highway 87, I think that with the massive Formosa expansion going on down there and the growth that should occur in Calhoun County population wise as a result thereof, we need an escape route for those people in a storm situation.

We also need, for economic development reasons, an opportunity to capitalize on the downstream industries, the clean industries that we want in our municipalities of Port Lavaca and Victoria, in Edna and in Ganada and all of the towns around here. We want to see that happen. We need the four land divided highway to compete for this business. Most of these companies transport their products by trucks out and without those highways we are going to loose these competitions. So, you know, it is hard to prioritize which ones of these highways are the most important. They are all important, but in the short term, from a safety standpoint, I feel that the link between Port Lavaca and Victoria is a critical issue.

The airport situation that Pat Rhodes was talking about awhile ago; he was giving the specifics of the airport needs itself. As we know, we have a massive Chinese complex coming in here. We have the capacity right now to move people through our airport to Houston and the major airports of the world. We want to see a second airline in here that will tie to the hub in Dallas. We have got to have this new terminal in place, and the sooner the better, in order to compete for a second carrier. We expect, through the marketing of this organization, to see other countries of the world have their major corporations locate in here as we continue to internationalize the business community. So the airport is critical.

And the barge canal; I know Munson Smith is going to give you some details on that in a minute, but in a general sense, the deepening and widening of the barge canal to allow the industries to fully load the barges is going to be a continued enhancement to not only the profitability to our existing businesses, but our ability to attract new businesses. We have a company we have been working with for about a year now that is comparing the Mississippi River and Victoria for a major facility. They recently came out public on this thing. It has been in the press. It is a $350 million project with in the neighborhood of 300 to 350 jobs averaging 40,000 or better. That would be a tremendous diversification for this area and without this improvement on the barge canal, they tell us they will not even consider us. So expeditious funding and completion of this project is critical.

The Matagorda ship channel presently at 36 feet is a tremendous enhancement for the chemical industry in the area and it is probably deep enough to handle chemical shipping. But, if we are going to once again expand into other types of businesses, which we would like to do, especially as other areas of the country either run out of land, gets to expensive, the environment will not accommodate the industry, whatever, if we are going to compete for other types of businesses, we need to have at least 40 feet in that channel. This is a long-term project but it is something we need to be paying attention to and trying to get come about in the not to distant future.

Now two other problems. In this area we have—the City of Victoria is over an aquifer and I think that we are not going to have a problem for our population for a long time. On the other hand, the industry that we see in this area uses large quantities of water and we are projecting that in as little as 10 years, probably no more than 20 at the outside, we are going to be out of water for new industry. The only solution to that problem is the City of San Antonio solving its problems and thereby solving all of ours. That involves an area outside of the 14th Congressional District. But, you know, are we going to wait until San Antonio is forced into a solution or are we going to take a proactive view and solve south Texas' problems for water long-term? It is probably 30 years to get another dam built and filled and be able to sell water out of it. I can see that we have a 10 or 15 year gap where we are going to be in a real world of hurt selling new industry out in the not to distant future.

The last item is something that we are just beginning to pay attention to. It may be considered pie in the sky. Historically the Houston area and the New Orleans area has succeeded in locating dramatic numbers of small and medium size industries that have waste that would be considered—chemical wastes or other types of wastes that would be considered hazardous. They have located facilities that handle these wastes. The small and the medium size businesses do not generate enough of it. They do not have enough revenue stream to justify handling those waste themselves. If we can get in a facility to handle that, we are going to be able to compete for many, many projects that today we do not have the capacity to compete for.

I think that pretty well covers it gentlemen. Thank you.

Mr. LAUGHLIN. Thank you, Neil.

Mr. Chairman, at this time, I would ask unanimous consent to make a part of the record a letter for Harold Cobler, Transportation Committee Chairperson from the Victoria Chamber of Commerce.

The CHAIRMAN. No objection, so ordered.

Mr. LAUGHLIN. Thank you, Mr. Chairman.

John, if you will proceed.

[Mr. Amsler's prepared statement appears on p. 888.]

[Mr. Cobler's letter appears on p. 841.]

Mr. FRITZ. Thank you.

I would like to express my appreciation to the Honorable Chairman Anderson and Congressman Hancock and the Public Works and Transportation Committee of the United States House of Representatives and in particular our hard working congressman from the 14th District, the Honorable Greg Laughlin for the opportunity to appear before your committee on behalf of Gonzales County.

I am John Fritz, President of the Gonzales Area Development Corporation, a not for profit corporation founded in 1969 to further economic development in the Gonzales area. I am also employed by the Guadalupe Valley Electric Cooperative as their economic development representative serving the counties of Guadalupe, Gonzales, Lavaca and Wilson with electricity for home, farm and industry. We are very fortunate to have an abundant power supply at very reasonable costs and take great pride in our ability to provide reliable and efficient electric service.

I come before you to express a need for further assistance in our rural area. Specifically, we believe that money invested in public highway transportation in our area will pay economic dividends to the state and Federal Government in way of taxes that will come from economic prosperity.

According to Texas A&M Extension Service, Gonzales benefits from about 200 million dollars in cash receipts from agriculture annually. Almost 80 percent or about 157 million dollars comes from the poultry industry. Nationally recognized companies such as Tyson Foods, Cal-Maine Foods and Purina Mills, as well as some local producers, such as Holmes Foods and Kent Foods depend on railroad and highway transportation to carry on their commerce.

Indeed with the global opportunities that are proliferating today transportation is essential to their health. Mexico is on 220 miles away with the Maquiladoras serving as a gateway to trade opportunity. Victoria is a vital link that will be of increasing importance because of the port facilities. Austin, Texas is only 58 miles from us along highway 183.

As Bill Blackwell stated before, we also believe very strongly that the designation of Highway 183, as part of the Trunk System linking Austin, Texas and Interstate 35 to Victoria, Texas and Highway 59 will fill a void in linking Austin to the Gulf Coast for economic as well as safety purposes.

During times of emergency, such as seen in the past when a hurricane threatened the Gulf Coast, Highway 183 has been a preferred route for many people with Cuero, Gonzales, Lockhart and Luling as towns offering refuge and safety.

Next I would like to mention that several Gonzales industries are dependent to a great extent on rail traffic. I understand that this not a part of this committee but I wanted to go ahead and mention it anyway as I had it in my remarks.

Finally, I would like to thank you for your proposed assistance to the Gonzales Airport. Many local pilots, as well as visitors, have expressed a safety concern and that is the hump in the runway that makes you want to land when taking off and take off when landing.

Your help and assistance in these areas will be valuable tools we can use to ensure economic prosperity for our rural area. It was the help and far-sightedness of federal assistance that has made our country great. We in Gonzales accept the responsibility of work and follow through that comes from a boost from our government.

Thank you very much for your attention.

Mr. LAUGHLIN. Thank you, John.

Carl, if you will proceed at this time.

Mr. HUTCHINSON. Thank you, Greg.

Mr. Chairman, Congressman Laughlin and Congressman Hancock, I am the commercial break in this testimony. I will try not to make it sound like that.

There are over 500 million tons of asphalt that are laid in the United States every year on airport runways and highway systems. About four percent of that is recycled asphalt. There is a way to use 100 percent recycled asphalt pavement using microwave technology to do this in an environmentally clean manner. This presents a savings of 20 to 30 percent, which helps the budget crunch, particularly here in our State of Texas. It also presents a solution to the problem which faces the conflict of the ecology versus the economy, since this is environmentally sound. Example, in the City of Los Angeles, every day there are 1,000 tons of asphalt that are recycled, old asphalt taken off of their streets, which were going into their landfills.

In doing this—that is about 20,000 tons a month, that means that 20,000 tons of aggregate, old asphalt, does not have to go in a landfill in Los Angeles. To give you an idea of what 20,000 tons of asphalt is like, that is about the size of a four story building. That means that 20,000 tons of rock did not have to be quarried to make new asphalt. That saved 5,000 barrels of oil—this is every month, which is the difference between the amount of oil required to recycle old asphalt and the amount of oil required to make virgin asphalt. The kicker is the city saves over $100,000 a month and they have been doing this for three years.

The City of Austin is getting ready to do somewhat the same on a slightly smaller scale. Thanks to Mr. Oliver's help, we are working with District 18, which is a Texas district in Dallas. We are working with New York City and several other areas to help the situation. With 500 million tons of asphalt laid on our highways and airport runways every year, 20 to 30 percent savings in that would be considerable relief to our budgets.

There is already something in the national law which encourages recycling. The National Resource Recovery Act of 1976 states that—and I will paraphrase, if a commodity—if a government is using a virgin product and they can use a recycled product which is comparative quality-wise and price-wise with the virgin product, they must use the recycled product. That is not being done. There are two problems that prevent this from being done.

One is the bidding process itself that is restrictive in nature, with good understanding because of the history of recycled asphalt. By using microwave technology this can be done to turn old pavement back into new pavement and it is chemically and physically indistinguishable from virgin hot mix.

Thank you.

Mr. LAUGHLIN. Thank you, Carl.

The CHAIRMAN. All right, we are ready for our questions. I will start off. I realize there is a cycle that develops. For so long, you have had a solid tax base with the oil and gas industry, now many of your communities are dealing with the fact that the tax base has been greatly reduced and jobs are hard to find, so it is a Catch 22 situation. To draw new industry, you have to beef up your existing infrastructure, yet you do not have the tax base to support that. What is your biggest challenge then, or first step, in breaking out of that cycle? What do you do?

Mr. FRITZ. Chairman Anderson, I think planning is the key. I realize what is happening, especially in the State of Texas with so much money needed for our school systems; I believe planning is the key because we can do things with long-term planning and a look to the future. If we look in our community, we build the infrastructure as an investment, jobs are going to come. That is sort of like the field of dreams, if we build it, they will come.

The CHAIRMAN. Well, I suppose I would like to hear more about your exchanges with potential new industries coming into the area. What kind of infrastructure shopping list are they coming in with? What do they want and what do you think they should have?

Mr. **Fritz**. Two things on the very top of our list are water and wastewater treatment. We feel that we have an advantage there, not only with the Guadalupe River and the San Marcos River coming into our area, but we have an enormous abundance of land, undeveloped land. We also have Carisa Wilcox Aquifer that can be tapped for water. It is a matter of making that investment and finding the funds to make that initial investment to make it happen.

Mr. **Amsler**. Mr. Chairman, I think the industries are looking for access to raw materials as well as markets. This area is uniquely suited in both of those areas. We have over seven million people within a two hour drive of this area, and obviously on the edges of this district you are right on the edges of those metropolitan areas. We have an abundance of raw materials and those that we don't have, with our transportation infrastructure that—as I indicated earlier, is good but needs improvement. We have the access to inexpensively get those raw materials in here to process.

We have presently a foreign trade zone which will allow us to process outside materials that are imported and re-export them which is a massive benefit. The Calhoun County industries, Formosa, Alcoa, BP and possibly Carbide are all going to be benefiting from that program and it will grow as others learn how to utilize it. It is brand new to this area.

We are seeing—as I indicated earlier, a tremendous desire to have the four land divided highway inexpensively move their trucks. That is a key.

In some of the situations that I have been involved in—and the steel mill that I mentioned earlier, they say they have to have the deeper and wider Victoria Barge Canal. We tend to utilize—you know, we have had this process going for—and Munson will tell you, many years. I do not—he knows how many we have been trying to get this project done and we have been funding it little by little—studies. And, you know, what I simply tell them is, you make a commitment to Victoria and we will figure out a way to do it faster. In the meantime, we ask you to carry on the process as quickly as it can possibly be done. But, you know, we try to take industry that is willing to make a commitment, if we can get something else done, and then push that. But, I think, you know, we have to recognize the weaknesses that we have and do our very best in the interim to improve all of those or any portion we can.

The **Chairman**. Greg.

Mr. **Laughlin**. Neil, I have been with you on at least one occasion where we visited with prospective new businesses to come to the region. I do not know if that is typical and I would like to ask you if in your conversations with prospective new businesses, how much interest do they express in our infrastructure and in our transportation that is available?

Mr. **Amsler**. I do not think I can overemphasize that. If I were to simply say that without what we have and what we might have, we would not be in the running at all. Transportation is probably—for the heavy industries anyway on our waterways, is the key issue. Without that, you have nothing.

Greg, on that trip we made to Taiwan, it started, in process, a program that has led to a study—just a few weeks ago, we have a

Taiwanese firm that has committed $150,000 to evaluate sites along the Gulf Coast for a project that we generated here in Victoria. I am chagrined to say that they do not think they ought to invest 2 or 300 million dollars, depending on how this thing turns out, without looking at other areas as well. Since we developed it here, we think it ought to come here. But, nonetheless, all the product will be exported to Taiwan. The access to the ocean going ports is critical to this project and, you know, I cannot emphasize enough how important our transportation infrastructure is.

The CHAIRMAN. What kind of transportation?

Mr. AMSLER. Water, highways, rail. We have an excellent rail system here. I could get real greedy and like to have two or three competing rail lines right up against each other coming into every site. That would give me a competitive advantage over most other areas. I guess I am realistic enough not to ask for that. But, you know, we have rail serving many excellent sites that are way above any kind of possible flooding, river, rain or hurricane surge tides. Unlike most coastal areas, we do not require pilings for our foundations. This is a cheap place to develop. We have an excellent environment. The permitting—aside from the Bureau of Reclamation and some of the problems they are causing for us, but permitting projects—up until the humongous Formosa project, has been routine. It has been real easy. We have got a work force in this area that is very trainable and highly productive and it is growing. You know, we literally have an excellent place to grow industry in the United States.

Mr. LAUGHLIN. Well, I knew from our experience, the Taiwanese, Chinese, were very interested in water transportation, but I wonder if that has been true in all of the other prospective businesses that have come and looked at the region. Are they interested in water transportation?

Mr. AMSLER. Now, you downstream industries that will occur because of the petro-chemical—like agriculture where—we grow so much agriculture, of all types, in Texas and most of the processing occurs out of state. To a lesser extent that occurs in the plastics industry as well. We create the basic plastics, the intermediate and finished product manufacturing has historically been done out of state. These products are sent out by water, they are sent out by rail, they are sent out by truck. But the downstream industry itself will almost exclusively use rail and truck and those systems have got to be adequate as well. And the distribution industries; we have competed on a number of occasions for distribution facilities and they always end up going on an interstate. You know, they have got it calculated down to the tenth of a cent per mile that they lose when they get on less than interstate quality highways. We cannot even compete for those kinds of industries without having four lane divided freeways going to all of the major metropolitan areas around us.

Mr. LAUGHLIN. Mr. Chairman, I would have been disappointed if John Fritz had not mentioned that hump at the Gonzales Airport because it is the only airport that I have ever landed in that has that situation existing. And while it is a real thrill, it is not one that the average airplane passenger wants to experience. It points out the problems that our rural communities are facing, when you have an airstrip like we have in Cuero that cannot expand. It was put there many, many years ago before we had any development that would cause people to use our municipal airports for anything other than entertainment flying. Certainly, the Gonzales Airport throws out another, what I almost perceive as a hazard, to general aviation trying to land or takeoff there. So, it does point out why we must look at our rural municipal airports and address these sort of problems if we are to expect rural America to survive. These two examples truly point out the importance of this hearing.

Carl, I have to ask you a question. The staff reminded me, and certainly your business ought to fit in. Either in September or October, this Committee will be sponsoring in Washington, DC a science fair dealing with the new and innovative technology for infrastructure. We have been in contact with the Texas Transportation Institute who is going to have some representatives and some displays there and it seems to me that the technology of your company certainly is on the frontier. It is new, it certainly appears to be a cost saving technology. If you are interested, I would appreciate you working with my staff, whom you have been working with in the past, but I would like to extend an invitation to you to participate in that, what will probably be a two day science fair for the infrastructure.

Mr. HUTCHINSON. Thanks, Greg. I was going to be in Baghdad then but I will change that. [Laughter.]

Mr. LAUGHLIN. It sounds like you are still in the reserves. If you are, I do not find much humor in that, since next week, I will be going on my active duty reserve. I hope the President lets those orders stand and does not divert them to Baghdad where I hope I do not see you. But if you will——

Mr. HUTCHINSON. Yes, sir.

Mr. LAUGHLIN. I appreciate that because your company and you have visited with me on prior occasions and I have seen the displays and the reports on how you are improving the environment by taking care of this waste product and actually saving money for our municipalities, our state agencies that are in highway construction. I think it would be a very important contribution from rural Texas to the science fair. So, I thank you for diverting your plans from Baghdad to be in Washington and we will work with you on the dates.

Thank you, Mr. Chairman.

The CHAIRMAN. Mel, do you have any questions?

Mr. HANCOCK. Well, let me just briefly say that my background is as a small businessman and I think under the circumstances, since we need to move this along like a business organization would have to operate, I think I am going to withhold them. I appreciate the testimony. I think it is moving and it is an excellent, excellent hearing and I am looking forward to the rest of it.

Mr. LAUGHLIN. Thank you, Mel, and thank all of you for being here.

The next will be the Highway Panel, Mr. Fred Jones, City Councilman, City of Port Lavaca and Mayor Leonard Lamar, City of Palacios.

Fred, if you will proceed.

TESTIMONY OF HON. FRED A. JONES, COUNCILMAN, CITY OF PORT LAVACA, TX AND HON. LEONARD LAMAR, MAYOR, CITY OF PALACIOS, TX

Mr. JONES. Thank you, Congressman, and, gentlemen, good morning.

Our purpose in testifying before you this morning is talk a little bit about Highway 35's inclusion in the Highway Trunk System. Our community has testified before the Highway Department Trunk System hearings on several occasions and we have been in touch with other elected officials, industries in other cities in our area along Highway 35. Each one of our council members was assigned a different group of these people to ask their support and we received considerable support regarding our inclusion.

Specifically, I would like to address my remarks to Highway 35's inclusion into the Highway Trunk System by reading you a letter that our mayor wrote to Mr. Dedman with the Texas Highway Department earlier this year.

> Highway 35 connecting the cities of Corpus Christi, Portland, Ingleside, Aransas Pass, Port Lavaca, Point Comfort, Palacios, Bay City, Angleton, Alvin, Pearland and Houston should be included in the Texas Highway Trunk System.
>
> This highway meets seven of the criteria established by the State at previous hearings:
>
> (1) It connects existing four-lane divided highways, I-37, State Highway 288 and Interstate 10.
>
> (2) It minimizes indirect routing for the industries and people along this coastal route who now journey 30 to 40 miles north to 59 or Highway 77. Moreover, it significantly improves our access from these coastal cities to Houston Hobby Airport, to Houston Medical Complex and the Astrodome.
>
> (3) It connects Houston's and Corpus Christi's ports with the major petrochemical industries located along the coast accessible largely by Highway 35 and serves the proposed 42 feet deep water port at Port Lavaca/Point Comfort.
>
> (4) It will serve the Homeport at Ingleside.
>
> (5) It connects the major tourism areas along the coast, including beaches at Rockport, Fulton, Magnolia, Matagorda and Port Lavaca. It provides access to the Aransas Wildlife Refuge and major fishing towns such as Rockport, Port O'Connor, Port Lavaca and Palacios. It also provides Texas with a coastal highway which will stimulate tourism between Corpus Christi and Galveston and provide improved transportation for winter Texans. I might add that we are a one and a half to a two hour drive from major population centers of Corpus Christi, San Antonio, Austin and Houston. So we are sort of in the hub.
>
> (6) It comprises a major truck route necessary to serve petrochemical facilities and the South Texas Project.
>
> (7) Highway 35 connects Corpus Christi and Houston with four cities of 20,000 in population, Pearland, Alvin, Bay City and Lake Jackson. It also ties in Angleton, with a population of 15,000, Port Lavaca, 14,000, Clute with 10,000 and Freeport with 12,000 to create a badly needed coastal highway.
>
> Access to the coast is severely limited because Highway 35 has only two lanes. Tourism sites along the coast are more difficult to reach because of poor access and some congestion due to truck traffic serving our local industries.
>
> We are aware that there is a great demand for inclusion of additional roads in the highway trunk system and we believe the proposal should be expanded to include Highway 35.

In light of what is stirring out in the Gulf right now at this particular point, we would also like to have Highway 35 considered as an additional evacuation route out of our area. Highway 87 presently to Victoria is the only way that we can get out normally during times of hurricanes and the last time we were evacuated, I was trapped in my car for four hours between Port Lavaca and Victoria with three children, which is normally a 25 minute drive.

Thank you.

Mr. **Laughlin**. Thank you, Fred.

Mayor Lamar, if you will proceed.

Mayor **Lamar**. Thank you very much and good morning. Chairman, I appreciate this opportunity to appear before you all.

My major purpose in being here today is directly because of the Port Lavaca Chamber of Commerce and the City Hall writing our Chamber of Commerce and myself a letter to support them in their efforts to try to get Highway 35 recognized in the trunk system. You each have a copy of a resolution that our Chamber of Commerce and our city government has passed. If you would like me to read them I would be glad to, or if you would like to enter them in the record—whichever one you choose.

Mr. **Laughlin**. We will enter them into the record and you can summarize your comments, Mayor.

Mayor **Lamar**. Well down in Palacios, we like to keep things short and simple and we just felt like Highway 35 got left out and we are along the coast there too—in fact, we are on the Bay. But we would offer any support we can to all the cities from Lavaca Port to Bay City, Port Lavaca and Point Comfort, they need some help real bad with the Formosa Plastics in there. If you have been by during construction phase, you know that they really have congestion there now and they are going to need some help on their highways.

Thank you.

[The resolutions referred to by Mayor Lamar follows:]

PALACIOS
Chamber of Commerce
The City By The Sea
P. O. Box 774 312 Main Palacios, Texas 77465 (512) 972-2615

RESOLUTION

WHEREAS, the upper central Gulf Coast area is expecting extreme growth during the next few years due to the 1.7 billion dollar expansion of Formosa Plastics USA in Point Comfort, and

WHEREAS, due to this project it will be absolutely imperative to have a good direct route from that plant to Houston and Corpus Christi such as an improved State Highway 35, and

WHEREAS, the highest capacity chemical dock in the United States which will include a container dock facility and a heavy lift dock is in the process of being constructed near that plant location, and

WHEREAS, State Highway 35 improvements are essential to attract other industries and businesses to the Gulf Coast area, and

WHEREAS, State Highway 35 is the only coastal highway from Houston south and this is extremely important to attract and retain tourism in Texas.

THEREFORE, be it resolved that the members of the Palacios Chamber of Commerce, hereby represented by their President and Vice-President, consider it absolutely essential that the improvements of State Highway 35 be included in future plans.

Jack Lesley, President

Don Landry
Don Landry, Vice-President

PALACIOS
Chamber of Commerce
The City By The Sea
P. O. Box 774   312 Main   Palacios, Texas 77465   (512) 972-2615

August 3, 1990

The Honorable Greg Laughlin
312 South Main St.
Victoria, Texas 77901

Dear Congressman Laughlin:

The Palacios Chamber of Commerce would like to submit the enclosed resolution to the public hearing on the future needs of our nations´ infrastructure which is scheduled on August 7 in Victoria.

We, respectfully, ask that you and the Public Works and Transportaion Committee consider this resolution regarding the improvement of our local highway system.

Sincerely,

Jack Wesley
President

RESOLUTION

On this the 2nd day of July, 1990, the City Council of Palacios, Texas, met in regular session and, among other proceedings, adopted this Resolution joining Port Lavaca and other cities and towns along the "Coastal Connection" in encouraging the State Department of Highways and Public Transportation to remember all of us when they are finalizing the plans for the Texas Trunk System.

PASSED AND APPROVED on this the 2nd day of July, 1990.

Voting for the Resolution: Neil Hartsfield, Don Kopecky, Chris Woll, Joanna Hendricks, and Lucy Mata.

Voting against the Resolution: None

Absent and not voting: None

Leonard Lamar

Leonard Lamar, Mayor

ATTEST:

Lin L. Pitrisky

City Secretary

Mr. LAUGHLIN. Mr. Webster, did you want to make a statement?

Mr. WEBSTER. Yes. I would like to read a portion of a letter from Formosa Plastics Corporation.

> I would like to express our support on the importance of establishing Texas State Highway 35 in the proposed Texas State Highway Trunk System.
>
> As you are probably aware, due to Formosa Plastics' $1.5 billion expansion project in Calhoun County, Calhoun County is experiencing and will continue to experience a substantial degree of growth over the next two to three years. As progress is made on the new complex and even more so as the growth is realized on a permanent basis, we feel that it is vital that the direct route between Houston and Corpus Christi be approved.

This is from Jack Wu of the Formosa Plastics Corporation of Texas.

I would like to further extend that. One of the criteria that was not included in the State Highway Trunk System was the criteria for the movement of hazardous materials, and that is a major issue to the people in Calhoun County. There are five major petrochemical or other industries there that do move a lot of hazardous materials. Much of that goes out by water, but the link to Houston and Corpus is essential to us. And right now we have a two-lane road on which we move some hazardous materials along with a lot of tourists and other things happening up and down that roadway. That is a major concern to all of us, is how we transport the hazardous materials.

Mr. LAUGHLIN. Thank you.

The CHAIRMAN. Is that all of them?

Mr. LAUGHLIN. I have some questions.

The CHAIRMAN. Okay, I have a question or two possibly.

Although your comments were more specific to highways, I would like to take advantage of you also being elected officials. What do you sense the public reaction to these and other infrastructure needs to be on a grassroots level, are they accepting these as a high priority?

Mr. JONES. Yes, Mr. Chairman, they are. Each member of our City Council was assigned a different group of people to contact, to solicit their opinions and information and support. We received considerable support from all those people considering—particularly I guess one of the major concerns was our evacuation route out of our area during times of bad storms. Also the carrying of hazardous materials by some of our industries is a big concern, although a lot of those companies take care of their hazardous materials in a very effective manner.

We feel like we have an awful lot to offer in our area and the people of our community would like to see more access to our area from the major population areas that I mentioned, from Corpus Christi all the way around in a semi-circle to Houston. We think that four-lane highway system would be of great economic benefit to our area.

The CHAIRMAN. Again, I would like to return to my question of what new industry is looking for when they consider locating in your area. Are you finding that your highway and bridge system is adequate to their needs? And I am looking beyond the interstate system to local streets and bridge problems.

Mr. Jones. Well I have a comment, but I would like Mr. Webster to answer that question since he is our City Manager. One of the things that we are looking for definitely in our community is housing.

Mr. Webster. As a comment, I think that our city particularly has put a lot of dollars into our local systems; into our local streets and major thoroughfares. That has been a big issue to us. The biggest problem for us though is access from other locations, particularly Houston, Corpus, and as has been expressed Victoria. From Victoria to us is a connection to Austin and ultimately up to Dallas. So the highway system is very critical to us. Of course I think we have done a good job with the state's assistance also, in improving our port there at Point Comfort. That has been a major issue in the development of industry in our area, has been the water access.

Mr. Laughlin. Mr. Chairman, I should point out that not only does Highway 35 run through the cities of Palacios and Port Lavaca, who are represented here; it runs through Bay City and I see the Mayor of Bay City here in the audience. I might, for your information, tell you that that is the town where I was born because there is no hospital in West Columbia, another problem we face in rural America, and it runs through the town where my parents have lived since before my birth, and their house is exactly one block from Highway 35.

David, when you were in my office a couple of weeks ago, I had not driven Highway 35 from West Columbia to Bay City at rush hour in some time. Rush hour is when Phillips 66 plant on Highway 35 at Old Ocean, called the Sweeney Refinery, turns loose. There is substantial construction expansion of the petrochemical plant there taking place and it is a dangerous situation out there because Highway 35 between West Columbia and Old Ocean is very narrow. From Old Ocean to Bay City, while it is a little wider, we had a very tragic death out there two years ago in broad daylight. There was not any drinking or was not any speeding involved. It is just a narrow highway and two cars hit head-on and a lady that I have known all my life was killed in the middle of the afternoon with no weather being a problem. It is just a narrow highway and it points out that we have got tremendous needs for Highway 35 because you go from the Sweeney Refinery at Old Ocean, where there is tremendous expansion taking place; then you come to Bay City that is sort of a hub along that area, and between Bay City and Palacios, we have the Texas Nuclear Plant, which had a tremendous number of workers while it was under construction. You get from Palacios to Port Lavaca where Formosa Plastics is expanding the work force there, and it points out to me that all this is a two-lane highway and I compliment the Mayor and City Manager and City Councilman for coming to bring these issues to the Committee's attention because often I can sit there and talk about these things and some of my fellow committee members say "Well, Greg, that is in your home town area and you are trying to take care of that." So it is helpful to have the kind of input that you have given, showing that the needs and the use are there, and also the more important factor and that is the safety, not only during what I call rush hour, but when we have the hurricane season that we are in the middle of now.

So I thank each of you for highlighting those highway needs there.

The CHAIRMAN. Mel.

Mr. HANCOCK. I have no statement, Mr. Chairman.

Mr. LAUGHLIN. I thank each of you very much.

Mr. HANCOCK. I think Mr. Lamar has a statement.

Mayor LAMAR. I just wanted to make one more comment about that. The highway system, Highway 35 from Bay City to Palacios, the county commissioners in the past, many years ago, had the foresight to see that the Highway Department acquired enough right-of-way so we could have a four-lane. So it is not going to be a problem about acquiring additional land. We have this all the way to the county line. So that is a big advantage and I hope the present commissioners keep pursuing this, because if you want to go to Palacios, you have to want to go there to go down Highway 35, we are off in a corner and we have a bypass that goes from Blessing over to Highway 35 that we are fighting real hard to keep that as a farm-to-market road and keep Highway 35 as a trunk line.

Mr. LAUGHLIN. Mr. Chairman, while the Mayor says it is off in a corner, my last two years in high school, the Mayor's home town out-scored mine in football games and I have never forgotten it. [Laughter.]

Mayor LAMAR. Well I am new to Palacios, I went down there 15 years, but every town I go to—apparently that one year Palacios tore up everybody.

Mr. LAUGHLIN. They did.

Mayor LAMAR. That is what everybody remembers.

The CHAIRMAN. The reason I kept asking my kind of question about what the local communities thought their infrastructure needs were, is because I find that a lot of local communities do not recognize what the little thing is that is not getting companies and things to come in. And I will try to make this as brief as I can, I do not know of any place in the country that is worse than my own District.

I come from the Ports of Los Angeles and Long Beach, and I have not been there that long, but I noted everybody was sort of satisfied with the way things were and did not want to do any changes and the Port of Los Angeles channel depth was 15 feet. Now you know that any container vessel has to have at least 45 feet or it cannot get in. Yet, that did not seem to bother anybody. We were 15 feet, we did not have any good access down there from several ways, and yet we did receive—I might say the thing that shocked me was I went out one day, and I know when container ships would want to come in and they had something that had to be delivered to Los Angeles, they could not unload it, they would take it up to Oakland or down to San Diego and unload it and then bring it in by train or truck or something. And that is the way things were done.

Finally, we decided to deepen the port channel and that was one of my first projects. And we deepened it and all of a sudden ships started coming in there that had not come in before. But then we found we did not have other kinds of things to haul it out. We had to then get access into the port so that we could get things taken out.

One thing brings on another. Deepening the channel brought in water transportation; then we had to get highways for truck transportation; then we found that people—everybody else in there, one person to a car, decided to get on that same highway and congested it. And now the little interstate that I brought into my two ports was identified a few years ago as the most highly traveled section of interstate in the Nation. And about two months ago, I had seven of my people who are in the transportation business from Los Angeles Port and Long Beach Port, they met with me to let me know that things are bad now because we have got so much traffic on that strip that now the trucks cannot take the stuff in. We have now got to build transit lines to get the people out of their cars so the trucks can have more access. He says in the old days we could get to downtown in roughly an hour. When we built the freeway, they could get down there in 30–40 minutes. Now with the congestion, it takes two and a half hours. And they said we pay our truck drivers $25.00 an hour and that has to be added onto the cost of the product we are selling and that is why we cannot compete.

So you see all these little things—you may not know it, but because of what we have done in that area, we took these two ports that were not doing much business some years ago and New York-New Jersey was then the number one port complex in the Nation; now the Los Angeles-Long Beach Port complex is number one and we are making money. We made a billion dollars a year for the last six years for the federal government in just customs alone, which paid many times for everything we have spent down there. We do have a deep channel, we do have access in, but it does not mean that you are through because there is always something.

Also, we wanted to get a world trade center; we have been fighting for that for 20 years. Finally, we decided where to put it and then we figured well maybe a little 9–10 story building. Then before we even got it started it was completely filled, all the space, so we went up to 12, 14, 16 stories, it keeps growing. It is now 29 or 30—anyway it is way up. But on top of that it is already full and now we are starting a second one across the street because there is so much business that has come in that has taken it up in the port complex and there is no access.

So there are these kinds of things. I do not know what your area is like—I mean the other day we were talking about deepening channels, you know, and that is why I was asking what kind of things you people were interested in and what kind of infrastructure you really are talking about when you meet with some of these industrial people.

I am sorry I took so long.

Mr. LAUGHLIN. The next panel, Mr. Chairman, will be the waterways panel; Mr. Dennis Simons, Chairman of the Jackson County River Authority in Edna, accompanied by Ralph Burgess, General Manager of the Jackson County River Authority; Mr. Emmett Gloyna, General Manager of the Lavaca/Navidad River Authority in Edna; Mr. Munson Smith, Executive Director, Victoria Navigation District accompanied by Chairman of the Navigation District

David Engles and Mr. Eli Mayfield from the Palacios Navigation District, Palacios.

Dennis, we will start with you first.

TESTIMONY OF DENNIS S. SIMONS, CHAIRMAN, JACKSON COUNTY NAVIGATION DISTRICT, EDNA, TX, ACCOMPANIED BY RALPH BURGESS, GENERAL MANAGER, JACKSON COUNTY RIVER AUTHORITY; EMMETT GLOYNA, GENERAL MANAGER, LAVACA/NAVIDAD RIVER AUTHORITY, EDNA, TX; MUNSON SMITH, EXECUTIVE DIRECTOR, VICTORIA NAVIGATION DISTRICT, VICTORIA, TX; AND ELI MAYFIELD, PALACIOS NAVIGATION DISTRICT, PALACIOS, TX

Mr. SIMONS. Mr. Chairman, Congressman Hancock, Congressman Laughlin, I am Dennis Simons and I am Chairman of the Jackson County Navigation District. There was a mistake on the agenda, we are not the River Authority but we are the Navigation District of the County.

I would first like to thank all of you and your staffs for taking the time out of your busy schedules to come here today and hear the concerns of our district.

The Red Bluff Channel is an authorized U.S. Corps of Engineers project. It is 20.2 miles long and has authorized dimension of six feet in depth and 100 feet in width. It is a tributary channel to the 12 foot by 125 foot Port Lavaca Channel, through which it has access to the deep draft Matagorda Ship Channel and the Gulf Intracoastal Waterway. The river portion of the channel has not had maintenance dredging performed on it since about 1962 and the Lavaca Bay segment since 1981. Portions of the channel are as shallow as 18 inches, making the channel impassable anything larger than small pleasure boats.

There are several large industrial sites located along the river portion of the channel with access to rail and highway transportation, abundant natural gas and electrical power. In addition to these, the sites also have direct access to a freshwater pipeline running from Lake Texana, one of the largest available and uncommitted freshwater supplies along the Texas Gulf Coast. These sites are also in near proximity to the Formosa Plastic Company plant, which is currently undergoing a $1.3 billion expansion. The only thing that seems to be hampering our county's ability to take advantage of any spin-off companies resulting from the Formosa plant is the current condition of the Red Bluff channel.

In previous contacts with industries, the Economic Development Board has been told that the sites have all necessary amenities, with the exception of water transportation.

The 1990 federal budget included the sum of $250,000 for maintenance dredging of the channel. In the corps estimate, however, an additional $400,000 is needed in the 1991 budget in order that the project can be completed. The corps has prepared plans and specifications for a portion of the project, although bids have not been awarded as of this time.

This past March, Ralph Burgess and myself appeared before both the House and Senate Appropriations Subcommittees for Energy and Water Development asking that this additional $400,000 be included in the fiscal year 1991 budget. The House version of the Appropriations bill included the full funding that we asked for. However, on the Senate side, the entire amount was deleted in Subcommittee and we do not expect it to be in the Senate version of the bill. Our only hope now to get the funds necessary to complete the project seems to be in the compromise committee that will work out the final version of the bill.

We are here today to bring to the attention of the members of this Committee the need to have this project funded and ask for your help in seeing that the funds are placed back in the final version of the appropriations bill. By giving the Corps of Engineers the full amount needed, the contract for the entire project could be awarded in one package and result in a savings in the overall cost.

Thank you.

Mr. LAUGHLIN. Thank you, Dennis.

Emmett, if you would proceed.

Mr. GLOYNA. Mr. Chairman, Congressman Laughlin, Congressman Hancock, my name is Emmett Gloyna, I appear today on behalf of the Lavaca-Navidad River Authority, of which I serve as General Manager. Accompanying me is also Mr. M.H. "Buddy" Brock, the President of L-NRA's Board of Directors. We too would like to welcome you to our area and thank you for convening the hearing in Victoria.

The L-NRA is a subdivision of the State of Texas created by the Texas Legislature in 1959 to develop the waters of the Lavaca-Navidad River system.

We wish to discuss with you today a unique infrastructure problem that we have. In 1968, Congress authorized the construction, operation and maintenance of the Palmetto Bend Project. A year earlier, Jackson County voters authorized the Authority to issue bonds to meet the Authority's financial obligations incurred with the construction of the project. The project provides water for municipal and industrial purposes at a firm annual yield of 75,000 acre feet. It also provides recreational fish and wildlife facilities. In 1974, project opponents challenged the project under the National Environmental Policy Act. The Federal District Court for Victoria upheld the project and reservoir construction was completed for Lake Texana in 1980.

In 1981, the Authority constructed a 36-inch pipeline to supply freshwater from lake Texana to customers near the Texas coast. This pipeline crosses federal land below the reservoir. In 1989, the Authority proposed to construct another line along the same general route to transport additional water from Lake Texana. Proceeds from the sale of this water will be used to repay the United States a portion of the cost of the Palmetto Bend Project. Because the authority's operation and maintenance costs are currently met by a local property tax levy, sale of the water from Lake Texana will produce a direct benefit for local residents by reduction of their property taxes. Additionally, by sale of this water, the Authority can assume the obligation as a state for repayment of project costs, as was anticipated at the time of construction. Having this additional large capacity pipeline will enable the Authority to market water to municipalities and industries in the Gulf Coastal Bend area. The Authority already has a firm contract for sale of the water to commence upon completion of the pipeline. And finally we can then begin to repay the debt to the federal government.

So far, this is a rosy picture. The federal government has provided substantial, welcome assistance in this area. Without development of dependable surface water supplies, industry cannot be attracted. We have a poor economy but a large labor force. Our population can well service industrial facilities in our area and will benefit greatly from new jobs. Additionally, in the future the municipalities of this area will very much need dependable surface water supplies. The City of Corpus Christi, for example, today is in great need of additional firm water supplies. The Authority now has a customer whose obligation to purchase water will enable the Authority to significantly reduce its current tax levy. The Authority will now finally be able to repay its payment obligation to the United States as well as that of the state.

But our future is not as pleasant as all this sounds. Just weeks before we anticipated receipt of the permit for our pipeline across federal project lands, and at the urging of the U.S. Fish & Wildlife Service, the Bureau of Reclamation suddenly announced it was looking into whether to prepare an environmental impact statement on the 2,000 feet of pipeline crossing and the approval of the River Authority assuming the state's obligation to replay these funds. The justification we are given is that our customer, Formosa Plastic Corporation, may and only may, have environmental impacts.

Mr. Chairman, we are not here asking for appropriations. We want only to be set free to proceed with construction of our pipeline so we can honor our obligations to the United States for repayment of money it has already spent pursuant to Congressional authorization. We have no way to fulfill the project's purposes as set out by Congress by sale of the water until we can deliver with a pipeline which must cross about 2,000 feet of federal land.

There is no environmental impact on this pipeline. All agencies—and there have been many at the state and federal level which have reviewed this project—have reached that conclusion. The federal district court which examined the project, and the project has not changed since that time, concluded that the environmental impacts have been adequately assessed prior to project construction. Nothing has changed. What has happened is that one of our proposed customers has aroused the ire of several federal fish agencies.

We are therefore being held hostage and this means we must either tax our residents for something we should be able to get someone else to pay for if we only had a pipeline to deliver water, or we cannot repay the government. I appear today, not to ask for money again, but to urge that the Authority be permitted to proceed with construction of its pipeline so it can deliver water and repay money Congress has spent for the project.

Thank you for inviting us to appear.

Mr. LAUGHLIN. Thank you, Emmett.

Munson, if you will proceed at this time.

Mr. SMITH. Thank you, Chairman Anderson, Congressman Hancock and Laughlin. We appreciate the opportunity of being here.

We appreciate you providing a forum to hear our concerns here with regard to the infrastructure needs in our community.

I am legal counsel for the Victoria County Navigation District and the West Side Calhoun County Navigation District. The Victoria County Navigation District is a countywide district. The West Side Calhoun County Navigation District is comprised of the most western part of Calhoun County. These navigation districts are charged with the responsibility for promoting navigation within their respective districts and recognize the importance of the use made of navigable waters in this area of the Gulf coast by the industrial, agricultural, mining and fishing industries.

The two navigation districts act as joint sponsors of the Victoria Barge Canal. They represented the local interests in the construction of the canal which was commenced in 1951 and completed in 1965. The Victoria Barge Canal is a shallow draft channel, nine feet deep and with a bottom width of 100 feet. The channel extends approximately 35 miles from the Gulf Intracoastal Waterway in San Antonio Bay in Calhoun County northward to its terminus at the Pickering Basin in Victoria County located approximately seven and a half miles south of the City of Victoria, Texas. The canal, therefore, acts as a tributary channel of the Gulf Intracoastal Waterway.

The GIWW and its tributary channel to Victoria played a significant role in the economic development of both Calhoun and Victoria Counties. Union Carbide Chemicals and Plastics Company; the Carbon/Graphite Group; B P Chemicals Company and E.I. duPont De Nemours Company have located industrial plants along the channel. To illustrate their importance to the area, the Union Carbide, Carbon/Graphite and B P Chemicals properties contribute 38 percent of Calhoun County's entire 1990 certified tax base.

The duPont plant which employs some 1250 permanent employees, and the sand and gravel producers in Victoria County, contribute significantly to the traffic on the Victoria Barge Canal which consist principally of sand and gravel and petrochemicals. About 2,500 barges per year carry over 3½ million tons of waterborne traffic on the canal each year. Over 97 percent of all sand and gravel on the western portion of the Gulf Intracoastal Waterway originates in Victoria and over 41 percent of the basic chemicals on the Gulf Intracoastal Waterway moving between Galveston and Corpus Christi are shipped on the Victoria Barge Canal.

I am sure that I do not have to recite statistics to this Committee to point up the importance of the Gulf Intracoastal Waterway System to this nation, and in particular to those states bordering the Gulf of Mexico. This waterway system, promoted by the Gulf Intracoastal Canal Association, was organized in Victoria, Texas in 1905. It was constructed as a 12-foot deep, 125-foot channel extending over 1,100 miles from Florida to Mexico under a series of congressional acts from 1925 to 1942. It connects all the deep water ports and the inland rivers and waterways along the entire Gulf Coast. It was originally projected to carry about five million tons of commerce without any recreational benefits. It now carries over 100 million tons of commerce and is used by two million recreational boat trips per year. The State Department of Highways and Public Transportation, which acts as local interests sponsor for the

426 mile portion of the GIWW located in the State of Texas, reports in a recent report on the Gulf Intracoastal Waterway in Texas, that the waterway in Texas alone carries about 75 million tons of commodities valued at over $20 billion each year. It is also vitally important to our fishing and shrimping industry. Studies have shown that the GIWW returns $26.00 each year in savings and transportation costs for each $1.00 spent by the government on construction, maintenance and operation of the waterway.

A report on the economic impact of the GIWW system in Texas, prepared in April, 1989, for the Sea Grant College Program at Texas A&M University, states that the GIWW provides jobs for about 150,000 Texans, either directly employed by water transportation companies or by industries that are heavily dependent on water transportation. The sport and commercial fishing and recreational activities create an additional 48,000 jobs statewide. All of these jobs contribute up to $675 million in state personal income. It has been estimated that approximately 20 percent of the Texas state gross product is linked to water transportation. Almost three-fourths of Texas goods are shipped by water. Benefits are derived from lower cost, more efficient shipment of goods by water. Moving commodities by barge reduces transportation costs substantially. The cost of moving chemicals by rail or truck is about six to seven times greater than moving them by barge. These significant cost savings are responsible for the heavy concentration of chemical plants and manufacturing establishments along the Gulf coast.

We are experiencing several serious problems which could greatly impact the GIWW. Erosion of the Gulf shoreline and environmental problems related to open bay disposal areas present problems to the continued maintenance of the waterway. One stretch of the Gulf Intracoastal Waterway in Matagorda County near Sargent is threatened to be breached by intrusion of the Gulf of Mexico if the shoreline continues to recede at the rate that it is presently receding. We must achieve a more appropriate balance between environmental interests in the removal and disposal of dredged material and the commercial and economic benefits derived from the proper maintenance of the GIWW and its tributary channels. If the GIWW became inoperable in Texas, it would have a devastating effect on our economy and on the inland transportation system of our country.

The present depth and width of the tributary channel to Victoria affects the efficient use of the canal and is a concern with regard to the safety of the barge tows using the channel. Approximately 14 years ago, the two navigation districts, as local sponsors, requested the modification of the channel to cause the specifications of the channel to be brought into conformity with those currently existing on the Gulf Intracoastal Waterway. The proposed project has been found to have a 1.2 to 1 benefit to cost ratio and has been approved by the U.S. Corps of Engineers and the construction authorized by the Water Resources Development Act of 1988. Annual average benefits to be derived from the improved channel are estimated at $2.9 million. The proposed modifications to the channel can be accomplished in such a way as to be beneficially effective for use for navigation while protecting and enhancing the environmentally sensitive areas involved in or affected by the project. The Corps of

Engineers, Galveston District, is presently working on the general design memorandum for the project and expects to have the memorandum completed in October, 1990. Hopefully, this Committee will recommend the appropriation of funds for the widening and deepening of the channel during the next fiscal year. Total cost of the project is expected to be about $24 million with the local or non-federal share being about $8.8 million. Of this amount, $1.7 million will be the local interests' share of construction costs and the balance primarily spent for new upland disposal areas and their associated levees and spillways. The improvement of the Victoria Channel is needed to provide for the more efficient and safer use of the channel. If the channel is not modified, it could conceivably become obsolete. A railroad spur to the Pickering Basin from the Union Pacific main line was completed in early 1989 by the Victoria County Navigation District, thus providing three major modes of transportation to serve the users of the barge canal; the highway, waterway and the railroad. The Navigation District owns about 350 acres at the Pickering Basin and leases the property to long-term tenants that make use of the canal. The railroad spur should enhance the development of the turning basin and the canal.

The Navigation Districts are also involved as a sponsor of the foreign trade zone to promote development of the barge canal and other areas within Calhoun and Victoria Counties. This project, together with the navigation projects sponsored by the navigation districts, should have a direct impact on Victoria and Calhoun Counties by increasing our tax base and providing jobs for thousands of skilled and unskilled employees.

The local navigation districts pledge their cooperation and assistance in addressing and resolving the infrastructure problems in this area. Their record of achievements show that they are aware of their responsibility to provide efficient and economic means of transportation which are so necessary to the utilization and development of the agricultural, industrial and commercial resources that are available to us in this region.

In closing, I have several videotapes; one produced by the Victoria County Navigation District which is the story about the Victoria Barge Canal and I think is rather graphic in presenting to you the scope of our project, our navigation project, entitled "Movin". I will leave this tape with you.

Mr. LAUGHLIN. Mr. Chairman, I would ask unanimous consent that the videotape that Mr. Munson Smith has brought today, be made a part of the file.

Thank you, Mr. Chairman.

Mr. SMITH. The other videotape is a tape that was produced for the Gulf Intracoastal Waterway Association entitled "Divided Waters-The Connecting Link". I think it is an excellent presentation of the Gulf Intracoastal Waterway and it points up its importance and some of its problems. And I will leave that with you.

Mr. LAUGHLIN. Mr. Chairman, I would also ask that the videotape of the Gulf Intracoastal Waterway system be made a part of the file.

The CHAIRMAN. No objection, so ordered.

Mr. LAUGHLIN. Thank you.

Mr. SMITH. Thank you very much.

Mr. **Laughlin**. Thank you, Munson.

Eli, we will hear from you at this time.

Mr. **Mayfield**. Thank you, Congressman. Mr. Chairman, Congressman Hancock, our own Congressman Greg Laughlin, since I am on the tail end of this panel, I would like to especially thank and express my appreciation and the community's appreciation for the Committee taking its valuable time, really its important time because I understand Congress is in recess, to come down and listen to the requests and problems of the transportation industries and water industries along the Texas Gulf coast.

We on the Texas Gulf coast have similar problems and divergent problems and advantages as does the Chairman have on the west coast of the United States insofar as water transportation is concerned.

I would like to first reiterate and express my sentiments that I approve of all the statements and remarks that Dennis Simons made, representing a river authority in the State of Texas. It was my pleasure for many years to sit as Chairman of a Board of River Authority in the state and I would like to repeat and reiterate the requests and statements that Emmett Gloyna made concerning the river authority in Jackson County. Mr. Gloyna has for many years been an admirable servant of the public in serving river authorities and water resource organizations throughout the state and nation. Munson Smith is a personal friend of mine and represents the navigation districts that you heard him announce to you.

It has been my pleasure after many years of attempting to work with water resources to now represent Matagorda County Navigation District Number 1, which is located in Matagorda County. We serve most of Matagorda County all the way from about the Colorado River to the Jackson County line.

In our little port, Mr. Chairman, our principal industry at this time is serving approximately 350 fishing trawlers. Those fishing trawlers are engaged in an admirable occupation of trying to provide for us shrimp and fresh fish and so forth. As most of you know, I am sure from reading the press accounts, those people who are engaged in the fishing industries are facing almost insurmountable problems with regulations that they are having to live under now in harvesting fish.

Our navigation district really, so far as I know, has no real difficult problems with infrastructure acquisition or repair and/or with maintenance, but we certainly, our navigation district, certainly hopes and desires that you, the Committee who are charged with these things, and with our Congress supporting you, will certainly provide and authorize the maintenance funds that are required for maintaining our shallow draft channel in Palacios, Texas, which is a tributary channel of the Gulf Intracoastal Waterway. We do have one turning basin, a third turning basin, that under the present laws and regulations, maintenance is not provided by federal funds, so we are relegated or resolved to providing our own maintenance. We can do that, our navigation district has the resources and funds to provide the needed maintenance for the third turning basin.

We would especially point out to you—I would as Munson Smith did—the study that we hope your Committee will give and we hope Congress will give too in remedying the bad situation that exists in

Matagorda County along the Sargent Beach area where the Gulf waters are about to cut through the intracoastal canal and destroy our shipping in the intracoastal waterway.

Again I would like to express my thanks to you, Mr. Chairman, and to the Committee as a whole for being present at this regional meeting and we appreciate your efforts in being here.

Thank, you, very much.

The CHAIRMAN. Okay, I guess we are ready for questions.

I suppose a question I have in mind relates more specifically to Victoria, but certainly with general applications to all of you. When the Victoria channel is widened and deepened, what changes do you foresee in this area in terms of economics?

Mr. SMITH. Mr. Chairman, we have determined that the widening and deepening is essential to not only bring in new industry, but to allow the more efficient and safer use of the channel by the current users of the channel. Presently, as someone alluded to earlier, the present users are having to light load their barges. In some instances they load them twice, they load them here in the barge canal and then when they get down into the Gulf Intracoastal Waterway in Calhoun County, they have trucked additional product there and they load them the remainder of the capacity of the barge. It is causing them to be less efficient in cost-savings in the transportation of those products. It is allowing them, in some instances, to lose expansion possibilities within their own plant facilities to other plants in other parts of the country that are more competitive in that regard. We think that it will not only increase the use of the channel by the current users, but bring in additional industry.

The CHAIRMAN. That could mean lots more business, lots more jobs and lots more money for this general area.

Mr. SMITH. Yes, sir, it certainly could. I think that the fact that we have had the major industry locate on the channel that we have had so far indicates that that is a definite possibility. There are all types of elements of industrial site—that industrial site locators look for that are available in this community. I think that the waterway is only a part of it, but an essential part of it. Some of the industry that has located here has done so only on our assurance that the navigation districts will diligently pursue the widening and deepening. Of course, we cannot cause it to happen, but we can do whatever the local interests can do to further it.

The CHAIRMAN. What has been the single most difficult obstacle to bringing this about?

Mr. SMITH. The endless studies that apparently have to be made in order to cause a project like this to be completed. We have been 14 years in the congressional process and through the study process with the Corps of Engineers. When we first got into this, the Corps of Engineers informed the navigation districts that it was a nine year process and we all were aghast at the fact that it was going to take us nine years to deepen the channel three feet and widen it 25 feet. It has been 14 years and when people ask me now what the status of our project is, I say we are 14 years into a nine year project.

I understand the environmental concerns that have to be addressed, I appreciate that, no one is more interested in the environment than I am, the valid environmental concerns. However, these processes take time and I think that that has been our biggest problem. It certainly has not been the lack of local support. I will say that in Calhoun and Victoria Counties, as evidenced from the fact that the Gulf Intracoastal Waterway was established here, there is a very strong desire by these people to promote navigation.

The CHAIRMAN. Greg.

Mr. LAUGHLIN. Thank you, Mr. Chairman, and I would point out, toward the end of this hearing, the importance of citizens like yourself coming before this Committee. Back in the spring time, someone—and I have not forgotten who it was—from the 14th District appeared before the Water Resources Subcommittee of this full Committee and made mention that one of the problems we were having in Texas, Louisiana and the western Gulf area was the fact that there was no citizen of our great country sitting on the Inland Water Use Board. And within the next day or so, the Assistant Secretary of the Army, Robert Page, appeared before our Water Resources Subcommittee and when I made mention of that to him, to lend some support—I thought it would be coming forward because Secretary Page is a Texan, and I might note he is a graduate of Texas A&M, so I really was expecting his assistance, and he made a commitment that we should have representation and through the efforts of the Water Resources Subcommittee and the assistance of Secretary Page, Burton Lawrence of the Hollywood Marine Company, a user of the Victoria Barge Canal, the Gulf Intracoastal Waterway system, has been nominated as the next replacement member on the Inland Water Commission. And that is a tremendous boost to our having our views heard by the Inland Water Board because there were no representatives on that Commission west of the Mississippi River unless you count the representative from Seattle, which technically is west of the Mississippi River, but who does not speak very often in support of Texas and Louisiana and Gulf Coast interests. So I point that out as one of the important benefits of having the interest that all of you have shown.

I would, Dennis, like to ask you if you could give us examples of the loss of business opportunities that Jackson County has suffered and this region has suffered because you have the Red Bluff Canal, which has been there for a number of years but has not had maintenance since 1960 or 1961. If you could give us some idea of the importance of this canal to the region.

Mr. SIMONS. Over I guess the past two years, we have had several inquiries, mainly through Ralph who is also chairman of our Economic Development Board, by companies or representatives of companies looking for sites along the Gulf coast for plants, basically petrochemical plants. And they would furnish us with a list of their needs for the site. The sites that we have have every basic need that they desired plus probably some that they would never have even thought of. They are excellent sites with the exception of water transportation. The sites are on the channel, but the channel is completely inaccessible now and as soon as the companies found out there was no water transportation and even though we would tell them we were in the process of having something done about that, we would hear no more from them. So it has hurt us and I think it has hurt the whole area because of that.

We do not want to take anything away from the Victoria Barge Canal by any means, but I think any development along the Red Bluff Channel would also be an economic boom also to Victoria County and the surrounding counties. The whole area benefits from any type of development in the area.

Mr. LAUGHLIN. Mr. Chairman, I think the important thing from the testimony that Dennis and Ralph have given before the Appropriations Committee and for this Committee to take back to Washington, is the fact that this canal exists. It has just been neglected by our government in Washington, DC, and through the efforts of many people in Jackson County and in particular Dennis and Ralph have come up two years in a row to testify. The House Appropriations Committee on Water and Energy has seen fit to fund this so that what our country invested in creating this canal to begin with can actually be utilized by the people in that area. I hope we can get that message back to the other members of our Committee and the people in Washington so that we do not continue to punish the people in Jackson County by giving them something and then taking it away through neglect.

Dennis, I really appreciate what you and Ralph have done, and of course many others, because it is a battle that we continue and I appreciate the efforts you all have made in that effort.

Emmett, I know that you speak very well for so many people in the region. We heard the compliments passed out by Eli Mayfield and I have heard them repeated by many people. But I think it is important when we are in this era when there is so much discussion about any development hurts, harms, destroys our environment. Now I have had the benefit of being out at Lake Texana and being on the premises of the Lavaca-Navidad River Authority, but for the record I would appreciate you giving a very brief status report on the environment and particularly the wildlife, comparing it before the lake was created and the accusations that you would destroy the deer herd. Give us a little report on the environment if you would.

Mr. GLOYNA. The Authority operates a 10,000 acre reservoir and some 7,000 acres of land around the reservoir, which we maintain as a wildlife preserve. With proper maintenance of this preserve and improvement of the habitat, we have probably increased the deer population four or five fold, as well as other wildlife. And it really does rub us hard when we are charged with not having proper environmental concerns.

We at the River Authority feel like we are down in the trenches all the time because we are maintaining the water quality of an entire basin and that is a pretty tough job to do. There is all sorts of intentional pollution and unintentional pollution that we maintain surveillance on, as well as taking care of the wildlife. So we are down in the trenches taking care of the wildlife and it hurts pretty badly when someone from some distance away says that, you know, we are not really concerned with the wildlife, we just want to sell water.

Mr. LAUGHLIN. Emmett, as I appreciate the history of Lake Texana, the local residents for the most part resisted the construction of that lake for the reasons that ran the gamut of you are taking our land, we are losing our agricultural opportunities, but it was pushed by the federal government representatives in Washington, DC and far off places under the guise that it would help the economic development of Jackson County, would add to the tax base, it would attract additional businesses, it would provide recreation to the region and probably the most important, it would provide a basis for repaying the federal government the cost of the money for that project. Is all that a fair summary?

Mr. **Gloyna**. That is correct, Congressman.

Mr. **Laughlin**. Does the federal government look to Jackson County and/or the Lavaca-Navidad River Authority for repayment of some debt to the federal government?

Mr. **Gloyna**. For $68 million—we are indebted to the federal government for $68 million and we have now a way to repay that debt with water sales if we could construct the pipeline to deliver the water.

Mr. **Laughlin**. What are your options or avenues for repaying this $68 million debt?

Mr. **Gloyna**. Only through water sales.

Mr. **Laughlin**. No one likes this, and I certainly do not, if you do not sell water, if the federal government will not let you sell water to repay them, it leaves you with two options, as I see it—(1) to default or (2) tax the citizens of Jackson County.

Mr. **Gloyna**. That is correct.

Mr. **Laughlin**. I think you said that.

Mr. **Gloyna**. At the present time we do levy a property tax on the citizens of Jackson County to maintain and operate the reservoir.

Mr. **Laughlin**. When the federal government came to the citizens of Jackson County, did they say you are going to have to pay for this with tax revenues or did they represent you would be able to sell water?

Mr. **Gloyna**. The contract with the Bureau of Reclamation specifically states that the project will be repaid by the sale of water, the maintenance tax was only looked at as a temporary means to support the project until the water could be sold.

Mr. **Laughlin**. And at this time, you do have water that is available for sale?

Mr. **Gloyna**. That is correct.

Mr. **Laughlin**. And just so the record is absolutely clear, your Authority has been given permission in the past to put a pipeline across this 2,200 feet that now the federal government is saying you cannot do. Is that correct?

Mr. **Gloyna**. That is correct. That application I believe took about two weeks for the Bureau to process and approve in 1981. In addition to that, Congressman, we have a contract with the Bureau of Reclamation which states that we do have the right—we in the Water Development Board have the right to construct and operate water conveyance facilities on federal lands—on these same federal lands that are in dispute now. So in a way we view this as breach of contract.

Mr. **Laughlin**. Well there are many others that view it the same way.

Mr. GLOYNA. Correct.

Mr. LAUGHLIN. Munson, I need to ask you a few questions. These companies you have mentioned that operate and employ people on the Victoria Barge Canal, if I am not mistaken, are all involved in the international competition, in the international marketplace, is that correct, to your knowledge?

Mr. SMITH. Yes, that is true.

Mr. LAUGHLIN. The question I have to you, do you have with you figures, dollar amounts, indicating the additional extra transportation expense that these companies have to spend each year on transportation costs because the Victoria Barge Canal is more shallow than the Gulf Intracoastal Waterway system is?

Mr. SMITH. No, all I have are the estimated benefits, annual benefits, but I do not have those figures. I could get them and make them a part of the record.

Mr. LAUGHLIN. Let me throw a figure at you and you see if it is in the ball park of what you could agree. A couple of weeks ago I was visiting with John Trigg who works for Carbon/Graphite about this very matter. We were seated on a plane going back to Washington, DC, and in our talking about Victoria Barge Canal, he indicated to me his company sends three barges per month up the Victoria Barge Canal, and because they cannot load a barge at the optimum capacity that it could carry in the Gulf Intracoastal Waterway system, those three barges a month, 36 barges a year, cost his company transportation costs alone going from the intracoastal water canal system into our Victoria Barge Canal, a sum of approximately $250,000 a year in additional transportation expense. Do you have any feel for that?

Mr. SMITH. Yes, I have heard figures in that range.

Mr. LAUGHLIN. And that was his company's figures, which is only one of many users, and he said I could not begin to estimate British Petroleum, Union Carbide and many other companies who ship a great deal more volume in barges than we do. Is that also your understanding that these companies actually——

Mr. SMITH. That is true. And the sand and gravel, of course those companies that depend—that have a lot of weight per shipment probably stand to gain more by the efficient use of the barges.

Mr. LAUGHLIN. I know from a report that I recently read that right here in Victoria we have the 11th largest sand and gravel producer, transporter of sand and gravel in America and that is the Fordyce Company operated by Bobby Briggs and I think Jack Owen is here somewhere—Jack, that is correct—there you are over there.

Mr. OWEN. That is correct, 11th in the nation.

Mr. LAUGHLIN. Eleventh largest in the nation and it is located right here on the barge canal.

Jack, I know you are not at the table, but can you just give us a ball park figure of the number of barges that you have shipments on through the barge canal on an annual basis?

Mr. OWEN. We do it by tons, of course, the navigation district keeps the number of barges. We are now averaging 300,000 tons per month across the barge dock. This is an increase over last year of some 10 to 12 percent. Last year we had 2.7 million; this year to date we already have——

Mr. **LAUGHLIN**. If the barge is operating in the Victoria Barge Canal, you have to load it at a lighter capacity than if it were just operating in the Gulf Intracoastal Waterway?

Mr. **OWEN**. That is correct. For the additional two feet, we could cut down on the number of barges if we pick up and expand our ability to load more tonnage. Yet the consumer on the other end saves approximately 40 cents a ton.

Mr. **LAUGHLIN**. And you are talking about the consumer that would be purchasing the sand and gravel from your company?

Mr. **OWEN**. Right. It would be various highway projects, various commercial dealers, this type of thing.

Mr. **SMITH**. I think—excuse me, Congressman, I think the number of barges that Fordyce would ship on an annual basis would be in the neighborhood of 400 per year.

Mr. **LAUGHLIN**. Okay. Munson, I have understood for some time, and correct me if I am wrong, that some years ago—and I do not recall the number—there was an agreement made between the federal government and the Victoria Barge Canal, the navigation districts, that the Victoria Barge Canal would be brought to the same dimensions, recognizing the economic benefits. Is that correct?

Mr. **SMITH**. I do not know that there was an agreement per se. When the Victoria Barge Canal was authorized in 1945–1946, provision was made for widening of the channel to a bottom width of 125 feet, so that when the local interests, the navigation district, acquired the right-of-way for the project, they acquired the right-of-way according to the Corps of Engineers specifications, which included at some point in time expanding the bottom width to 125 feet.

The navigation districts also had the responsibility at that time of relocating all of the structures crossing the channel in order to provide an unrestricted right-of-way. Those included some 29 pipelines, major pipelines, at a very substantial cost. Those pipelines were relocated under the proposed construction depth to accommodate the deepening and the widening of the channel, so that all of the structures are relocated and in place to accommodate the widening and deepening and it has always been, from the very beginning, more or less the implied understanding, I would say, of those members of Congress that represented this district and our navigation district that when it was justified, the canal would be widened and deepened. We feel that we have been able to show from the benefit to cost ratio, favorable benefit to cost ratio, that the widening and deepening is justified.

Mr. **LAUGHLIN**. Well it seems to me that there was at least the tacit understanding, since the navigation district required the pipelines to move at very substantial expense, the pipeline structures so that the Victoria Barge Canal today, as I understand it, has the capacity to expand without moving pipelines and without moving other structures, to expand its width and depth to match that of the Gulf Intracoastal Waterway system, is that correct?

Mr. **SMITH**. That is true, yes.

Mr. **LAUGHLIN**. Would you not agree that there would be substantial economic benefit to the region if the Victoria Barge Canal were of the same dimensions as the Gulf Intracoastal Waterway system?

Mr. SMITH. Yes, I think we have displayed that in the various hearings that we have had on this, and the project reports that have been conducted by the Corps of Engineers.

Mr. LAUGHLIN. Thank you very much. Eli, you have said it all, so I am not going to have any questions for you.

In conclusion, Mr. Chairman, I just want to thank you and Congressman Hancock for taking time out to have this hearing. I think from the comments we have had from all the various interests, it demonstrates the vital need for good, strong, sound transportation systems within the parts of Texas—we call rural parts because they are not downtown metropolitan areas like Houston and Los Angeles.

So I thank you for taking the time to come hear the citizens of this district who have testified to the importance of water transportation, highway transportation, aviation transportation to our area, and particularly to Mel Hancock who has a primary going on in Missouri today. Mel, I am confident you will be back in Washington in September.

Mr. HANCOCK. Who knows.

Mr. LAUGHLIN. Being the winner of a primary today, and I look forward to joining you and Jim Inhofe and Bill Emerson along with Chairman Anderson up in your district late this month for a similar kind of hearing, a hearing of the importance of mid-America and the rural areas that Mel tells me is one of the more beautiful spots in America, and that is the rural part of southwestern Missouri that he represents.

So Mr. Chairman, I conclude my remarks by thanking you and I think you can tell from the sincerity of all these witnesses how important infrastructure and transportation is to this region of Texas.

The CHAIRMAN. Mel, do you have any questions?

Mr. HANCOCK. Mr. Chairman, I would just like to make the comment that I am extremely impressed with the caliber and the competence of the witnesses that testified down here. Greg is representing—an outstanding area and a lot of outstanding people. It was a pleasure for me to have been here today. I am looking forward to getting back down here one of these days.

Thank you for having me down.

The CHAIRMAN. Thank you, Mel.

In conclusion then, I would like to thank Greg Laughlin, his capable staff, Mel Hancock and each of the witnesses for appearing here today. We have heard a great deal about the seriousness of the infrastructure situation.

Let me suggest that one of the first steps toward a solution is in realizing that the decision to deal with these problems is not an optional one. Sooner or later the work must be done. Every day we delay, the costs mount. The solution will require a considerable commitment of our resources, some combination of federal user fees, state and local revenues, but also massive amounts of cooperation, commitment, imagination and hard work on everyone's part. Even so, I am optimistic. Our greatest national achievements have come in response to our most demanding challenges.

I want to thank you again.

With that, the Committee stands adjourned.

Mr. **LAUGHLIN**. Thank you, Mr. Chairman.

[Whereupon, at 11:44 a.m., the Committee was adjourned.]

PREPARED STATEMENT OF WITNESSES

Statement of Neill Amsler

VICTORIA ECONOMIC DEVELOPMENT CORPORATION, INC.

August 7, 1990

The Honorable Greg Laughlin
United States House of Representatives
414 Cannon Building
Washington, D. C. 20515

Dear Congressman Laughlin:

I appreciate very much the invitation to address Glenn Anderson, Chairman of the Public Works and Transportation Committee. The infrastructure items needing improvement can be divided into five categories:

1. Highways
2. Commercial Air Transportation
3. Waterways and Ports
4. Water Supply
5. Hazardous Waste Disposal

HIGHWAYS

In order to attract many types of manufacturing and/or distribution firms, four-lane highways must be available from a city like Victoria to all major metropolitan areas. The State of Texas, working with local Victoria area leaders, has adopted a long-range highway improvement plan which will accomplish our goals. However, neither prioritization, funding nor timing has been addressed. We would request that funding for Highway 59 to Laredo, Highway 87 from Port Lavaca to San Antonio and Highway 77 to Waco be expedited. The portion of Highway 87 from Port Lavaca to Victoria is important as both an economic development tool and as a hurricane escape route for coastal residents. This latter need is urgent in light of the massive Formosa expansion and associated population growth expected in Port Lavaca.

COMMERCIAL AIR TRANSPORTATION

Victoria is fast becoming a regional air transportation center. We are breaking commercial air service records and could benefit from having a second carrier. However, a new terminal building is mandatory to accommodate any additional traffic, not to mention a second carrier. Victoria County and the Victoria Airport Commission has an application pending for Federal participation in the construction of a new terminal facility. Support in our receiving a positive and timely response to this application will be appreciated.

WATERWAYS AND PORTS

With respect to ports and waterways, we have two projects requiring attention. The Victoria Barge Canal is presently 9 feet deep and 100 feet wide. This requires

Post Office Box 7 □ 702 N. Main, Suite 104 □ Victoria, Texas 77902 □ (512) 575-0241

barges to operate at about 75 percent of capacity. To increase efficiency, we need a depth of 12 feet and a width of 125 feet. Again, the application for funding has been submitted with partial funding for studies and maintenance heretofore granted. We need the major construction funds allocated.

A long-range project is the deepening of the Matagorda Ship Channel which serves the Port of Point Comfort in Calhoun County. The channel is presently 36 feet in depth while most European and Asian ports are between 40 and 42 feet. As environmental laws make development in Houston and other similar areas more difficult, we want to become the best alternative and a deeper ship channel will definitely help.

WATER SUPPLY

At the present time, the region enjoys an adequate surface water supply for industrial development. However, local authorities believe our reserves could be depleted in 10-to-20 years. Since a new reservoir on the Guadalupe River will require at least 30 years to permit, build and fill, it is obvious that we are going to experience a serious shortage of water for a fairly long period of time. Further, that time period continues to lengthen as the start of a project will not occur until the problem is acknowledged and a solution found for its resolution.

HAZARDOUS WASTE DISPOSAL

Lastly, the Victoria region has, since the early 1950's, been an excellent location for large petrochemical operations. These businesses have flourished and continue to grow. However, small-to-medium-sized firms have not chosen to locate plants here. This has been primarily due to the fact that they do not generate sufficient wastes or revenue streams to economically dispose of the wastes generated. Locations like Houston with its regional chemical waste disposal facility have succeeded in locating most of these smaller firms. If we are to compete for the much larger number of small facilities, we also need a chemical waste disposal facility. Facilities of this type are owned and operated by agencies of the State government. If the Federal government can help with funding and/or permitting of a project of this type, our local infrastructure will be dramatically enhanced.

Sincerely,

Neill F. Amsler
Executive Director

NFA:jhs

REGIONAL HEARING

on

THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

Testimony of

PATRICK RHODES
Victoria Regional Airport
Victoria, Texas

August 7, 1990

My comments this morning will be directed at the essential needs of the Victoria Regional Airport if it is to remain an important part of the intermodal transportation system in this region. Our airport is an essential element in the process of recruiting new businesses and industries to this area.

The Victoria Regional Airport is a large physical facility, that has four runways, the associated taxiways, aircraft parking areas, published instrument approaches, and a non-federal instrument landing system. Presently, our airport is used primarily by general aviation aircraft with some corporate traffic and scheduled commuter service provided by Britt Airways, operating as Continental Express.

In order for this facility to continue to be functional for these general aviation, corporate, and commuter operations the following projects need to be completed.

1. A new terminal building needs to be constructed. Our commercial enplanements have grown by leaps and bounds over the last three years.

   1987--11,410
   1988--13,836
   1989--19,592
   1990--24,000 (projected-12,556 through July)

   By comparing our present enplanements to space requirements recommended by a FAA Advisory Circular:

	Recommended:	We Have:
Screening Area	150 s.f.	100 s.f.
Departure Gate	500 s.f.	140 s.f.
Lobby	700 s.f.	600 s.f.
Circulation Space	200 s.f.	0
TOTAL	1,550 s.f.	840 s.f.

   Our present building was constructed by the US Air Force in 1952, as a semi-permanent structure. This building has served us well, but time has passed it by especially when considering the growth of our region, FAA security requirements, area plant expansions, and all the other modern facilities in the area.

2. The ramp and taxiway areas need to be upgraded. Over the short term, say the next 5 years, this upgrade could consist simply of selective slab replacement and a project to seal the expansion joints.

   Our airport has two runways that because of their length are in most cases limited to use only by smaller general aviation aircraft. One of these runways was recently rehabilitated using an asphalt overlay procedure. This runway will be functional well into the next century with only routine maintenance required. The other runway of similar operational capabilities needs to have surface rehabilitation using selective slab replacement and joint sealing procedures or a surface overlay. A third runway, 17/35, has sufficient length to handle most commuter and corporate operations. The surface is presently in good condition, but is showing signs of deterioration. Airport records indicate that this runway was originally built in the early 1940's. The best option on this runway would be selective slab replacement and joint seal, making this a useable runway for many years to come.

3. A majority of the existing underground airfield drainage system was installed in the early 1940's. The newer portions of the system are easily more than 35 years old. Although still functional, the system shows signs of significant deterioration. A non-functional drainage system can contribute to degradation of runway and taxiway surfaces which in turn can effect the safe operation of our airport, and increase maintenance costs.

4. Two other areas that are included on our 5-year Capital Improvement Program are replacement of taxiway light cables (many were installed by the US Air Force) and the upgrade of our instrument landing system that was installed in 1973.

The items that I have mentioned thus far are being worked on and it is reasonable to say that they will be accomplished, assuming that present AIP Grant program stays in place and continues to by funded.

In the final evaluation, Victoria Regional Airport has one shortcoming that may prevent it from continuing to be a part of the transportation infrastructure in this region. This flaw is the load-bearing capacity of the existing primary runway (12L/30R). It must be remembered that this runway was built before today's commercial and large corporate jets were even on the drawing board.

This has been a short overview of where this airport stands as a part of this area's transportation infrastructure. For the present and the short-term, it will certainly remain an integral part of the system. In the event that the needs of the region require a facility for larger, heavier commercial air traffic, the Victoria Regional Airport will have difficulty meeting that need because of the landing weight restrictions previously mentioned.

Each of our airport needs require significant capital outlay. This capital requirement makes the continuation of enplanement entitlements through AIP essential to the continued growth and success of this airport. Although most of the conversations concerning Passenger Facilities Charges centers around large-hub airports, they are important to all airports including this one. Your support of these valuable revenue sources is essential to the future of Victoria Regional Airport and will certainly be appreciated.

Statement of Charles Williams

HOW GENERAL AVIATION IS IMPORTANT TO THE GULF COAST REGION

THE TOPIC OF MY TALK IS HOW GENERAL AVIATION IS IMPORTANT TO THE GULF COAST REGION. GENERAL AVIATION IS IMPORTANT TO ALL OF THE GULF COAST REGION FROM THE SABINE RIVER TO BROWNSVILLE. THE ECONOMY IN TEXAS IS UNDER GOING A CHANGE. IN THE PAST TEN YEARS IF HAS GONE FROM REALLY GOOD TO REALLY BAD AND WE HAVE ALL SUFFERED IN GENERAL AVIATION. OUR AIRPORTS HAVE SEEN A REDUCTION IN TRAFFIC, FUEL SALES, RENTALS AND AIRCRAFT SALES. THE OIL & GAS INDUSTRY, THE SAVING & LOAN DOWNFALL AND A JOB SHORTAGE HAVE ALL BEEN FACTORS IN THIS PROGRAM. NOW I THINK WE CAN ALL SEE A LITTLE IMPROVEMENT AND MAYBE A LIGHT AT THE END OF THE TUNNEL. I BELIEVE THE ECONOMY IS STARTING TO MAKE A SWING TOWARDS IMPROVING AND I CAN SEE IT AT MY AIRPORT AND IN BAY CITY. FUEL SALES ARE INCREASING, HANGAR RENTALS ARE UP AND OUR STUDENT ACTIVITY IS INCREASING. WITH THIS SMALL IMPROVEMENT TO OUR ECONOMY WE HAVE TO LOOK TO THE FUTURE AND BE PREPARED. WE HAVE TO HAVE OUR AIRPORTS UPGRADED TO MEET THE TRAFFIC, BECAUSE WHEN THE ECONOMY GETS GOOD AGAIN, GENERAL AVIATION WILL GET GOOD AGAIN. GENERAL AVIATION WILL TRANSPORT PEOPLE FOR RECREATION AS WELL AS INDUSTRY. THE PETRO-CHEMICAL, PLASTIC, OIL AND GAS, FARMING AND THE SEAFOOD INDUSTRY WILL BENEFIT FROM GENERAL AVIATION. I AM MORE FAMILIAR WITH THE GULF COAST REGION WHERE I LIVE AND WORK. THE AREA BETWEEN GALVESTON AND CORPUS CHRISTI IS SOME OF THE LEAST DEVELOPED ON THE TEXAS GULF COAST. THIS PART OF THE GULF COAST IS IMPORTANT TO MOST OF US IN THIS ROOM AND I THINK THAT IT WILL BE THE NEXT BIG BOOM AREA ON THE GULF COAST. I BELIEVE THAT OUR PART OF THIS REGION IS THE PRIME TARGET AREA, BECAUSE:

1. THE JETTY PROJECT AT THE MOUTH OF THE COLORADO RIVER
2. THE SOUTH TEXAS NUCLEAR PROJECT

THE JETTY PROJECT AND DEVELOPMENT OF THE COLORADO RIVER FROM THE MOUTH TO THE PORT OF BAY CITY WILL OPEN UP THE OFFSHORE FISHING AND SHRIMPING INDUSTRY FOR OUR AREA. ALSO, THE BARGE TRAFFIC UP THE COLORADO RIVER WILL INCREASE THE PROSPECTS OF INDUSTRY ALONG THE RIVER FROM MATAGORDA TO BAY CITY. THE SOUTH TEXAS NUCLEAR PROJECT WILL ALSO ATTRACT ALL KINDS OF INDUSTRY WITH THE READY SUPPLY OF POWER FOR THEIR USE. WE ARE ALREADY SEEING THE EFFECTS OF THIS GROWTH THROUGH INQUIRIES WE RECEIVE AT OUR CHAMBER OF COMMERCE. K-MART, HEB, WALMART AND SUTHERLAND LUMBER COMPANY HAVE JUST EXPANDED THEIR BUSINESS IN BAY CITY AND ALL OF THEM USE OUR AIRPORT. WITH NEW GROWTH AND EXPECTED GROWTH WE MUST LOOK FORWARD AND HAVE OUR AIRPORTS READY. OUR AIRPORTS ARE LIKE HIGHWAYS INTO OUR CITIES AND GENERAL AVIATION WILL USE THESE "HIGHWAYS" TO GET TO OUR CITIES. WHEN A COMPANY CONTRACTS OUR CHAMBER OF COMMERCE ABOUT LOCATING IN BAY CITY ONE OF THEIR QUESTIONS IS ABOUT THE AIRPORT. WE NEED TO MAKE OUR CITY AND COUNTY OFFICIALS AWARE OF THIS. THESE OFFICIALS CAN BE INSTRUMENTAL IN THE PROMOTION AND FUNDING OF OUR AIRPORTS. THE WAY I LOOK AT MY AIRPORT IS THAT THE SLAB OF CONCRETE CALLED A RUNWAY IS JUST LIKE THE MAIN HIGHWAY COMING INTO OUR CITY. THAT HIGHWAY DOES NOT MAKE ONE DIME FOR YOUR CITY, BUT WHEN YOU SURROUND IT WITH CURBS, GUTTERS, STREET LIGHTS AND OTHER IMPROVEMENTS, IT WILL THEN ATTRACT BUSINESS WHICH WILL BROADEN

THE TAX BASE AND PRODUCE REVENUE FOR YOUR CITY. YOUR AIRPORT IS IN THE SAME SITUATION, THAT RUNWAY IS NOT GOING TO MAKE MONEY OR ATTRACT BUSINESS UNTIL YOU IMPROVE IT WITH LIGHTS, VISUAL AND INSTRUMENT APPROACHES AND SERVICE. I TELL MY EMPLOYEES THAT ALL AIRPORTS HAVE THE SAME THINGS FOR SALE, SUCH AS FUEL, OIL AND PILOT SUPPLIES. THE ONLY THING WE CAN OFFER THAT OTHER AIRPORTS DON'T HAVE IS SERVICE. IF YOU GIVE YOUR CUSTOMERS GOOD SERVICE AND TREAT THEM LIKE YOUR GUEST, THEY WILL COME BACK AGAIN AND AGAIN. THESE ARE THE THINGS THAT WILL ATTRACT CUSTOMERS TO YOUR AIRPORT. SO THE GROWTH OF THIS REGION OF THE GULF COAST IS UP TO US. WE MUST ATTRACT BUSINESS TO OUR AIRPORT AND OUR COMMUNITIES. WITH THIS GROWTH AND ADDED BUSINESS GENERAL AVIATION WILL PLAY A VERY IMPORTANT ROLE. GENERAL AVIATION CAN BECOME A VIABLE SOURCE OF INCOME FOR YOUR LOCAL ECONOMY.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

TUESDAY, AUGUST 7, 1990

House of Representatives,
Committee on Public Works and Transportation,
Fort Worth, TX.

The committee met, pursuant to notice, at 12:15 p.m., in City Council Chambers, City Hall, 1000 Throckmorton, Fort Worth, Texas. Hon. Glenn Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Hayes, Geren.

The **Chairman**. The hearing will come to order.

Good afternoon. The Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. It is my pleasure to welcome you here today and thank you for taking time from your busy schedules to share with us your concerns, your knowledge and perspectives on this important subject.

For several months now, our Committee has been examining many aspects of the infrastructure issue, seeking a better understanding about our Nation's public works crisis. We have explored emerging infrastructure needs from the national perspective and reviewed the impact of infrastructure on private sector investment and on productivity, on growth and the ability of the United States to compete in the international markets. We plan to also look at the infrastructure financing alternatives and new technologies.

It is important, however, that we understand what kind of infrastructure problems are being experienced at the state and local levels. So we have embarked on a series of hearings at various sites around the Nation to talk about the inadequacies of existing public facilities with people most directly involved and to get a broad range of ideas and suggestions that can help to resolve some of the problems.

Earlier this month, we met in St. Clairsville and Youngstown, Ohio. Yesterday, we were in Lafayette, Louisiana and this morning in Victoria, Texas. Tomorrow, we will be in Atlanta and Conyers, Georgia. Hearings are planned for other areas of the country as well.

I am pleased to be here in Pete Geren's district, and I want to thank him and the people of the 12th District for their generous hospitality. Pete is certainly a hard-working newcomer to the Congress and is making his presence known. He strongly favors tougher law enforcement to fight drug use. As a member of the Veterans' Affairs Committee, he works long and hard for veterans' benefits. We especially welcome his participation on the Subcommittees on Aviation, Public Buildings and Grounds, and Water Resources, and his support on issues that have come before our Committee. As one of the active members on the Aviation Subcommittee, he has been in the forefront of efforts to save the V-22 Osprey tilt rotor aircraft, both for its military value and because he sees the potential civilian use of this vital technology as important to United States competitiveness.

I am also pleased that we have with us another member of our Committee, Congressman Jimmy Hayes. In fact, our hearing yesterday in Lafayette, Louisiana, where we received some excellent and beneficial testimony, was in his district. We are happy that he could join us today.

As Pete and Jimmy know, when we speak about infrastructure we are speaking about the very cornerstone of our cities and rural communities. Inadequate infrastructure weakens our economic foundations, threatens the health and safety of us all, and jeopardizes our future standard of living and the quality of life we have come to enjoy.

When addressing the importance of infrastructure, we should note that recent economic research shows a link between the level of public investment in the Nation's infrastructure and productivity and profitability in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960s to less than 1 percent, to 0.7 percent, in the early 1980s. During the same period, the annual growth rate of spending for infrastructure fell from 2.5 percent, again to less than 1 percent, 0.8 of a percent.

Productivity in our country is growing much slower than in other developed nations such as Japan, West Germany, Canada, France, Italy and the United Kingdom–our economic competitors–some of which invest almost five times as much in their public works as does the United States. We, in fact, rank 55th in the world in infrastructure investment.

All evidence reflects that our 20-years-plus of under-investment in public works spending at all levels of government has caught up with us, and we are seeing wide-ranging and serious problems.

It is time to do something about it. Last week I introduced a concurrent resolution, which was co-sponsored by several of my colleagues, expressing the sense of Congress that 1991 should be the rebuild America year. It calls for the President and Congress to work toward establishing a comprehensive national policy to rebuild the infrastructure of the United States. We must recognize that the condition of our infrastructure is one of the Nation's most important issues and it must be given a high priority, regardless of the deficit. The longer we wait, the more harm we do to our economy and the more costly the job will be.

Meantime, we are continuing our inquiry and look to you to help us gain further insight into infrastructure needs. Our question today is: What is the condition of the infrastructure in Texas, particularly this region of the state? Is your network of public facilities—your roads, bridges, public buildings, prisons, sewers and wastewater treatment plants, water supply facilities, and other basic services—are they adequate to meet current and anticipated needs of the area?

Who do you think should pay for necessary public works and what financing techniques have you considered? What do you think the federal role should be? The state role? The local role? What should our Committee be doing to resolve some of these problems?

We look forward to your answers and to any questions that you may raise.

I would now like to recognize Congressman Geren and Congressman Hayes for any opening remarks they may wish to make.

Mr. GEREN. I would yield to Congressman Hayes at this time.

Mr. HAYES. I would like to comment on two things. One is unrelated to this hearing directly. Having served in Congress with Dick Cheney before you came, the Secretary of Defense, I have imposed upon that previous relationship to suggest to him tactics in the Gulf of Iran. I feel that our military power should be concentrated on preserving the carrier independence and the Texas International Guard should conduct their operations to protect the oil fields in Saudi Arabia. [Laughter.]

I am actually here because of my colleague, Pete Geren. Before he was sworn in after he was elected, a cousin called me, who attended the University of Texas, and he said, you are really going to like the guy that they elected in Fort Worth, and that has been an understatement. We have served together both on the committee, obviously, but on the Subcommittee on Aviation. I never realized until I had to sit next to him just how much I was going to learn about the airport and about a certain congressman from Kansas, who we have shared some views about how the airports should be run.

So for that reason, I have got to see that he has lived up to the reputation which friends of mine shared on those days before we had become friends.

It is purely for that reason that I enjoy working with him. The needs of our two states are quite similar, not only in base of oil, gas and agriculture, but the realization that we, unfortunately, share in so many of our cities a decayed infrastructure, where it is time for the United States to do maximum innovation. And in order for the Sun Belt to continue to prosper, we have got to have the wheels of commerce that can be interconnected by our arterials on the ground and our air links.

I look forward to hearing about the problems and some of the challenges that you have in the Fort Worth community as he was so kind to do yesterday in our hearings in Lafayette. I think together we can hope that we can bring some improvement both to the area of southeast/southwest Texas and that little corner of southwest Louisiana.

Once again, thank you very much.

Mr. GEREN. Thank you, Jimmy, and thank you, Chairman Anderson, for being here today and for bringing this hearing to Fort Worth and to Tarrant County.

I want to apologize to everyone who is here for our little bit late start. We landed out at Carswell Air Force Base, and as luck would have it the vehicle that was planned to bring everyone in did not work, so we had to go to Plan B, and we had to scramble a little bit to get here. I apologize for imposing on you, and I want to thank everyone for being here.

This is a very important hearing, and we are honored and fortunate to have Chairman Anderson here, who is the leader in Congress on the issue of investment in our infrastructure. It is a subject that has been neglected, unfortunately, to our detriment, to the detriment of the productivity in this country, and we have seen it in this state and other states as well.

There are so many other things that cry out for attention we tend to under-invest in infrastructure. We recognize the need for it by having dedicated funds. But even those dedicated funds are not sufficiently well protected to protect them from the reach of Congress. We have done a pretty good job, unfortunately, of spending those dedicated funds that were earmarked for infrastructure. We have borrowed them and spent them elsewhere. We cannot let this continue.

As a country, we are falling behind the rest of the world in infrastructure investment. Our area has a great future, but it is one that is going to require significant investments, and one that requires partnerships. In this day and time hardly anything is done by city government, county government, state government and federal government. It is all done together, and it is critical that we understand the needs of each of them. That is why these hearings are so important; they help us identify common goals, common opportunities and common challenges and work together to meet those challenges and build the kind of future that is out there if we make the investment.

I want to thank this distinguished panel for being with us today—Commissioner Dionne Bagsby, Commissioner J. D. Johnson, and America's number one mayor, Mayor Bob Bolen—for taking your time to share your thoughts with us. I certainly appreciate it and I know each of you has many, many demands of your time and appreciate your making the time to help educate us and this committee and the U.S. Congress on the needs of our region.

Thank you, Mr. Chairman. Thank you very much.

[The prepared statement of Mr. Geren follows:]

STATEMENT OF CONGRESSMAN GEREN

Thank you Mr. Chairman. I commend you for holding this hearing today in Fort Worth and I welcome you and Congressman Jimmy Hayes to the 12th Congressional District.

Today you will hear testimony from an outstanding group of witnesses who will describe the infrastructure needs of Texas, Tarrant County and Fort Worth. The witnesses today will give us an important insight into the infrastructure needs of the 12th Congressional District, an area that we expect to experience tremendous growth in the coming years.

In the October 23, 1989 edition of Fortune magazine, the Dallas/Fort Worth Metroplex was rated as the top city in America. The Metroplex, which includes Fort Worth, Dallas, and the many smaller cities that are part of our regional economy, is "Today's dream location for business." The magazine stated that "talented workers with a wide range of skills are just waiting for a call, and population growth will support continued economic expansion".

But, as we expand, will we have the infrastructure in place to meet the challenges that will be presented by this increase in economic development and economic opportunities? Will we be able to meet the needs of these new businesses and increased population?

When we talk about the infrastructure of Fort Worth and Tarrant County, the first thing that may come to mind is our highways and airports. But "infrastructure" means much more. It includes many things that ensure that our citizens enjoy a quality of life that they deserve. It is more than concrete and steel—infrastructure is productivity and jobs.

Mr. Chairman, we do have infrastructure needs that must be addressed and that are long overdue. Here in Fort Worth and Tarrant County, we must continue to invest more in our roads, bridges, airports, educational and public buildings, flood control, water supply and wastewater treatment facilities. We must invest more in these areas that are so important to our communities and on which the future depends.

Our goal must be to do all that we can to improve our communities to ensure that the high quality of life we value is enjoyed by future generations.

Today's witnesses will focus on our infrastructure needs and on the future needs to meet this goal.

Mr. Chairman, I appreciate your decision to hold this hearing in Fort Worth and I appreciate Mr. Hayes and all of the witnesses for taking the time from their busy schedules to participate in today's hearing.

Thank you.

The CHAIRMAN. Thank you.

We might as well get going. Unfortunately, we are on a tight schedule and must wind up this session as close to 5:00 o'clock p.m. as possible. We will be flying to Atlanta this evening for another hearing there in the morning. Because there are so many of you who have been willing to participate in this hearing, and because of the time constraint, I am going to ask that you summarize your statements in no more than two or three minutes. That should leave us some time for questions. I want to assure you that your written statements will be printed in their entirety in the record of this hearing.

I also note that most witnesses are on panels. I would suggest that we hold our questions until each panelist has made an oral statement. And because of the number of witnesses testifying, it may be difficult to ask questions of each individual. Some questions may be general, and I will leave it up to the panel members to decide who will respond and please, again, be as brief as possible.

Now I want to call on our first panel of witnesses, and they are: The Honorable Bob Bolen, Mayor of Fort Worth; and two commissioners of the Tarrant County Commission, Mr. J.D. Johnson and Ms. Dionne Bagsby.

And, Mr. Mayor, we will call on you first.

TESTIMONY OF BOB BOLEN, MAYOR, FORT WORTH; J.D. JOHNSON, COMMISSIONER, TARRANT COUNTY; AND DIONNE BAGSBY, COMMISSIONER, TARRANT COUNTY

Mr. BOLEN. Thank you, Mr. Chairman. I do appreciate you having this committee hearing here with your colleagues. We appreciate you coming back to Fort Worth from your past visits. It gives us an opportunity to give you a broad-brush view of where we see our infrastructure needs and ways to try and fund those.

Obviously, when you come into the area, we have many things on the drawing board that are very, very important to the area and the economic development of this country, we hope: the supercollider that we are working on that you are certainly aware of. It is going to take tremendous infrastructure needs with funding from the cities and states and counties. We have DFW that is expanding as rapidly and as fast as we can do that, and we just recently are going to have the opportunity, maybe, of having a surtax charge so we can capture at the airport with the Committee's indulgence. We have the first industrial airport in the world and it is Alliance Airport that is just north of here. That is expanding extremely rapidly as far as ancillary businesses around American Airline's new maintenance facility that they are working on today. That is in Commissioner Johnson's territory. And we also have the I-30 infrastructure and highway connection right behind us here just to the south. All of those will take enormous amounts of money. They are all vitally needed if we are going to continue the expansion of growth of our industrial complex in this area.

And when we are in an area where we have Bell Helicopter and General Dynamics and many of the other military-established firms building the hardware for our armed forces, and we see the transition going on today, it is more important than ever before that we expand those areas that are going to be our future: The Tandys, the Houstons, the other firms around the world that are expanding in this particular area, and that requires the infrastructure necessary in those areas.

We touched on two areas that we know that we have funds available that we cannot reach. You are certainly more aware than we are. The FAE Trust Fund and the Highway Trust Fund, those dollars are there for us to use if we can get to them. When we look back 40 years ago and look at the Eisenhower administration and see what the highway system has done under your two leadership and the other chairman before you in that job, and has built an interconnecting highway system throughout the United States that is the envy of the world. If we are going to maintain that structure and be able to expand upon it and to coordinate that in the areas of the cities throughout America, it is going to take funding.

That means the release of the highway funds and the trust funds and the airports, et cetera, so that we can utilize those funds that were dedicated for that very specific purpose. We know that we are preaching to the choir. What we want you to know is that you have many, many citizens out here that will support you in trying to release some of those funds so we can use them on the needs that we have before us today.

And then I would like to close for my part of this to relate to you, so that you can take this back to the Congress. Many people say, well, let us let the citizens do it at home. I agree with that in many cases. I think we do a very good job of spending federal money and our local taxpayers' money. But the fact is that over the period of the last eight to ten years we have increased city taxes 40 percent, roughly, to cover almost identically the increase in our population, the inflation rate and the loss of almost $12 million in federal funds that we had at that time.

If you take those funds away, and you actually extrapolate that on the citizenry you have today, we are spending almost identically the same amount of money per person in this community that we did almost a decade ago, and we are trying to do many, many more things that we were required to do. The Clean Water Act, the expansion of that, as we read through that, is going to have an enormous cost on our community alone, and no one says where the funds are going to come from to take care of those requirements:

The clean air requirements, the asbestos requirements, all of those. We want a healthy environment, but in a situation where we need to share those ideas together. We need to be part of the solution, and we certainly need you to be part of the financing mechanisms to do the mandates that you are giving us, along with the state of Texas. Those things are necessary. We have tremendous opportunities if we are willing to face up to those, and at the same time we absolutely feel that it is going to be imperative that the federal government is a partner in that partnership and not just a person that says, do this and handle this, and you can take care of it all at home.

I will close with this. That our current budget and over the past 12 months we have reduced our work force almost 8 percent in the City of Fort Worth. We have had one tax increase in the City of Fort Worth during the interim period of time. We have expanded to cover the basic services, but they are stretched to the limit on the property taxpayers of this city.

We cannot continue to increase over and over again on a very narrow tax base, and that is all we have available along with the sales tax, the portion we get to fund all these absolutely necessary requirements that we seek in the future.

So with that, Mr. Chairman, I will stand by for questions of the committee at the proper time. Thank you.

The CHAIRMAN. Okay, thank you.

Next is J.D. Johnson.

Mr. JOHNSON. Mr. Chairman, thank you very much. We do appreciate you bringing the committee to Tarrant County. We appreciate very much our Congressman Pete Geren's interest in our problems that we have here in Tarrant County and Fort Worth, Texas.

It is always hard for me to follow His Honor, as we call him here in Fort Worth, but Mayor Bolen says everything so well and so quickly and, quite frankly, covered most of the items that I wanted to discuss with the committee today. In the interest of time, I will eliminate a lot of my remarks, but let me just put some emphasis on some of the items that he did touch on.

The Alliance Airport that is going to open up new trade possibilities throughout this world. All projects like this cost dollars to get them off the ground, to get them started. The city has spent millions of dollars out there getting the water, the services and the things necessary. Most of the area in and around the Alliance Airport is in the county, and the county roads are the responsibility of the Commissioners Court.

Our funds have been limited in the last four or five years because of the criminal justice breakdown that we have had throughout this nation. The roads seem to be the last part of the problem that we can touch when we start talking about budgets, and that is where Ms. Bagsby and I will be going to see as soon as we finish testifying here today, working on budget projects for the county. We are in our budget hearings now.

But we have a lot of demands being placed on us to get the goods and the traffic that is going to be required to Alliance Airport, to and from that airport, and it is on county roads. And quite frankly, we do not have the dollars to put into that program. The true needs for 1990 in Tarrant County just for the infrastructure of these roads is $18.2 million, and our budget will not even touch that amount. It might get up to a third of it, but we are in desperate need of some help.

The most emphasis that we have put on our problems here in Tarrant County is in the criminal justice arena. We have tripled the size of our jails in four years. There have been a lot of programs cut where we were getting assistance from the federal government and from the state government, and those programs were cut, and it came down to us on the local level to pay the taxes. And trust me, we in Tarrant County are a team. We work together—the cities, the county, the state government and our federal government. But we do need some help that we do not have here today.

Everything that Mayor Bolen touched on as far as the programs and the problems that they have had here in Fort Worth, that hit the county the same way. Our taxes are increasing. We are looking at the possibility of 162 employees being cut from our county payrolls this year. I am not going to say that is for real right now, but that is the numbers that we are looking at. And to make our budget balance, that is what we are going to have to eliminate.

So we need some help at the local level. The taxpayers of our county—you cannot look at what Fort Worth pays in taxes, what Tarrant County pays and what the school district, our bills as far as taxes. You have got to add all those up. And when you add them all up, we have strapped our residents to the limits. They cannot afford to continue paying the taxes that they are paying, and we must have some relief.

We do understand the infrastructure of roadways in Tarrant County. We also understand that we have got drainage problems throughout our county. We have got flooding problems, as indicated here in these last floods that we had.

So we would appreciate your considerations. You have my prepared remarks. I have given you some details of some specific problems that we have throughout our county. We would appreciate any help that you and the committee could give us here in the local area.

Thank you.

The CHAIRMAN. Thank you very much.

The next witness, the Honorable Dionne Bagsby.

Ms. BAGSBY. Thank you very much, Chairman Anderson.

The CHAIRMAN. Did I pronounce that right?

Ms. BAGSBY. Dionne, just like the singer.

I would like to again thank you for bringing your committee to Tarrant County and to the City of Fort Worth. I am delighted that my congressman, Congressman Geren, is serving on the committee. I know the strength that he brings to whatever committee he serves on.

Certainly following these two gentlemen has its problems also. However, they have touched upon a great number of things. One of the things that Commissioner Johnson pointed out, Alliance Airport is in his precinct. Unfortunately, the people who need the jobs the most at Alliance Airport are in my precinct, and so I have to gear my remarks a little bit to the issue of transportation.

The Dallas/Fort Worth metropolitan area is served by an excellent freeway system provided by the State Department of Highways and Public Transportation. During the past two decades, they have done an outstanding job of creating a highway system that is enviable. The system has encouraged the development of predominantly single family residential land use throughout the county and has allowed the dispersion of major job centers throughout the region.

Tarrant County is unique in that it has a different density of urban development which it must contend with on a governmental level concerning public transportation.

There are cities throughout our county that are far removed from the boundaries of Fort Worth: Saignaw, Crowley, Hurst, Euless, Bedford, Benbrook Haslet, Arlington. Fort Worth is singled out since it is the only city in the Tarrant County with a public transportation system. The city is served by the Fort Work Transportation Authority which is supported by a half-cent sales tax. This is unlike DART in Dallas County which serves multi-jurisdictions. Arlington is served by DART in its Handitran program of public transportation for the elderly and the handicapped.

The lack of county-wide public transportation adversely affects economic development in the outlying areas of Tarrant County since employers will tend to choose a location accessible to a large number of the working populace. And, of course, that large number of populace is often in our intercity and in the part of the city that the infrastructure is in the most dire need of rebuilding and repairing. Economic development, which is taking place in the mid-cities areas and in Arlington, is not accessible to many residents of the western part of our county.

Experience tells us that the federal government will not help fund public transportation in areas without at least a 1 percent sales tax base dedicated to public transportation. Recent reports of the North Central Texas Council on Governments show that FWTA has not applied for federal money knowing that we have a base of only one-half cent. They know they cannot compete for federal monies with Houston, Dallas and Los Angeles. So the future expansion of this transit authority is not even in the planning stages.

It is time funds are dedicated to public transportation projects which address existing needs of suburban populace regardless of the tax base of the transit authority. The sales tax is regressive. This type of tax is a burden on those who can least afford it. The lower the income level, the more a family will spend on taxable goods. But these families are the ones who need a public transportation system the most.

There are some exciting projects going on in our city, who certainly show that we do have the ability to work at the local, state or federal level. One of the projects Congressman Geren has committed his time and resources to, and that is the Poly—Main Street Project, which is also a project that has the attention and participation of our academic community.

I urge you to continue your quest to solve this problem, to provide funds that are needed, in my mind, to the infrastructure of this country which means existence of quality of life for its people.

A great nation, first and foremost, takes care of its people and the quality of the lives of those who live in the various places that they live.

Again, thank you for coming. Thank you for allowing us to testify.

The CHAIRMAN. Thank you all for your excellent statements. I will ask maybe a question or two. And before I ask my questions, I would like to compliment the mayor on his reference to the money in the trust funds that is almost unavailable. That happens to be one of my number one issues. I have not gotten very far, but it is one we are working very much on, and we have all identified to the people. I remember the last time that we went on television and radio and pressed on that issue. We told the people that every penny—I think at that time we were raising the gasoline tax five cents—and we told them every penny is going to go into the trust fund and be spent on our highways. Well, see, that is what people think, and it is shocking to know that we cannot get it.

And I remember another issue that came up unrelated to this. You mentioned the airport. Here a few years ago whenever you would pick up the local paper, I do not care whether it is in Los Angeles, or Chicago, or New York—I am not going to say here because I do not know much about it—pick up the paper and there was a near-miss last night at the local airport, and we always see a near-miss, near-miss, near-miss. And I remember the California State Chamber of Commerce coming into a meeting and pointing this out to us and, of course, they seemed to think it was more their concern because so many of them had plants in California, but also had a branch of a plant in St. Louis or had a plant in New York or had something. And they said, we have to get on the airplane every week. We are flying all the time. And every time we pick up the paper there was a near-miss yesterday in the local airport. Of course, some of them were not near-misses. We had one in Los Angeles, I think, that killed 11 or 12 people. That is not much of a miss.

But I said, well, what can we do? I said, we know what has to be done when we go to the airport. They need additional ramps or they need something. I said, we do not have money. And they said, tax us.

What do you mean by us? Well, they said, those of us who fly, tax us. So they actually told us to tax them. And so we put on the 8 percent ticket tax, and that money was supposed to go into a fund to be made available to make airports safe in this country. But again, it got into the same situation as the highway and the transit fund.

We have right now, I will not quote the figures exactly, but it will not be too far, $26 billion just sitting there that we cannot touch today, because we have a financial policy. Usually, I blame the OMB, because they are the ones who kind of like to not spend the trust money because then they can make it look like the deficit is better. If you have got $25 or $26 billion sitting over here, and you have got a deficit over here, you put them both close to each other and it makes you look like your deficit is a little bit less, and they have been just kind of fooling the people.

But my feeling is we have got to somehow get those trust funds released so that we can spend them, each one of them: the Airport Trust Fund, the Transit Trust Fund, the Highway Trust Fund. And I was just glad to hear you mention that because, as I said, it is one of the number one issues that I have, trying to get that thing straightened out.

Now, getting back to our infrastructure here today. Looking at the infrastructure problem from a local perspective, can you give us some idea of what steps you expect to take in Fort Worth and Tarrant County to meet your particular needs, and what kind of help you expect from the state and the federal government?

Mr. Mayor.

Mr. BOLEN. Mr. Chairman, you have touched on part of those. We are expanding to meet the needs of new industry. Like I mentioned before, when we have downturns in the firms that we have supplying military, we know that the Paget firm that is moving here at Meacham Airport. American Airlines maintenance facility will pick up an awful lot of those jobs.

We have another area that is a tremendous opportunity. We probably have the only right of way in the United States between downtown Fort Work, through the Tri-Cities, just north of Arlington, just south of VFW, by Irving City Hall, right down into the heart of Dallas, and we own that collectively between the two cities. With the funding available on that, that has actually generated an income stream. And with that particular corridor, we can build an infrastructure there for whatever it is, high-speed rail or a toll road or a highway, whatever it is, but we know from history that the industry will follow that particular corridor and it will be another tremendous job creator for us in the middle of the metroplex. All of those particular areas give us opportunities if we have ways to fund them.

Now, we are spending every single dollar that we have had in an increase five years ago, $5 million a year just on increased maintenance of the facilities we have available to us for our highway system. We have the I-30 system right behind us that I mentioned earlier, that we are going to have one of the finest connecting interstates in America. We will have eight lanes coming in from three directions, six from the other, and we are going to have a mile and a half right in the center that we need to get on with and finish that up, because that is going to be a bottleneck all throughout the 1990s. Those funds that we have in the trust fund will help us solve that, if we can get those released.

And I might add, as President of National League of Cities, it is our stated policy to help you in any way necessary. All you have to do is ask and you have 16,000 cities who will come to your aid to try and lobby for that particular program.

Ms. BAGSBY. I think a part of your question was what we are doing locally to address our problem. And one of the things that we are most proud of is the inner workings of local governments and the ability for them to cooperate together. We have an active program where smaller cities can come to Tarrant County and use their public works or infrastructure dollars in a more efficient way by not having to buy the big, heavy equipment and having the big work force. They engage in inter-local contracts with Tarrant

County. We provided the equipment and the manpower. They pay for the materials. That has been one of the most impressive and cost-effective methods of local governments cooperating with each other and using their dollars effectively.

So we are doing all we can to spend our dollars well, to be good fiscal managers. We simply need additional dollars. We do not have enough in the pot to do all that is needed in the region that is so inviting and one that has all the earmarks to grow and continue to be a very positive place to live.

The **Chairman**. We would like to have you identify what particular type of projects you are thinking of, and what kind of help you expect from us, so we can work at it through our whole program area.

Ms. **Bagsby**. We have, as a matter of fact, this morning there are three bridges out in the southwest part of this county that we have just applied for getting some federal funds to help repair. The bridges are in very poor repair. We can do the work. We need the dollars to help get those bridges so they will be safer.

Mr. **Johnson**. Mr. Chairman, if I might, and I apologize. I could have gone through my entire remarks that I furnished to the committee, but to touch on what Commissioner Bagsby was just saying about the bridges.

An example of the county not being able to meet strategic needs is the existence of four bridges which need major repair or construction, and that is now. One such bridge out on Indian Creek needs to be replaced or raised, which will entail road construction as well. The work on this bridge does not qualify for monies under the Federal Bridge Program. This infrastructure type of improvement will cost the county over $300,000, something that was not budgeted, something that was found during the floods and the conditions that we had this spring. Since this project does not qualify for federal money, the county cannot make the needed improvements until money is available or until there is some type of catastrophe that takes place. The three other bridges that I'm aware of right now Village Creek, which needs to be replaced, will cost the county another $300,000; with the widening and repair of the other two bridges, we are looking at $1.5 million just on those four bridges, just to get the bridges that we know are harmful to our public today repaired, that we do not have the funds county-wide or local-wide to take care of them.

Mr. **Bolen**. Mr. Chairman, I might call up two things that we think will be of great help to us. You asked how to pay for these things. Fort Worth put in and our voters voted on the quarter-cent sales tax to have a transit system. We voted that in a good number of years ago. Then we raised that roughly a year ago to a half-cent. That still means that we do not qualify for many of the dollars because we are doing a good job of what we are doing, and we are costing the citizens less money. That means we do not qualify to share in the national funds to improve the transit authority that we have.

We do not think we should be penalized because we are doing a better job than some of the other areas in America.

Number two, and an area that I touched on earlier that we can have more documentation for you, as we review the Clean Water

Act, we find the quality of the water coming out of the system that it looks like we are mandated to provide at an enormous cost will be better than it has ever been in history, before man was even here. And what we would like to do is sit down continually with the Congress and your staff and evaluate what is necessary. We want clean water, but we want clean water to the point that is necessary for the health of our community, but not for some enviable position that will bankrupt the entire state and the entire federal government to provide it.

And if we carry it to the extreme as we read it, the cost of that one act will be absolutely staggering, not only to us but every city in America and every state in America. The mandates alone can help us, because you mandate something that is unachievable, it will cost us all more dollars that we do not have today, and not let us use those dollars in areas that we truly believe that we need, and we have a water treatment center and a system here that is second to none in the United States and are continuing to improve.

I might add that we are spending more and more local dollars to provide that. We are costing ourselves, taxing ourself more dollars to provide that. Also, not asking the government to because those funds are being reduced as you all know.

The CHAIRMAN. Thank you very much.

Congressman Pete Geren.

Mr. GEREN. We might consider starting to bottle that treated waste water and go into competition with some of the other bottled water. [Laughter.]

I appreciate all of your remarks that pointed up so many challenges that our country and the city government faces. I think maybe worse in our part of the world because of the difficult economic time that we have gone through, not unlike Jimmy Hayes's district over in Lafayette, Louisiana. We heard the same story yesterday in so many cases.

Each of you has witnessed coming and the passing of a number of federal programs, and we have seen, as you have pointed out, the mandates increase and the funds shrink. In watching over the years and participating over the years, I would like your input into which type of programs and not only how the money was to be spent, but the procedures for delivering the funds, and how much local control was given, which you think best serve the needs of the constituencies that you represent.

I feel that often we do hamstring some of the programs with too many restrictions, with not enough local control. And if there have been some programs over the years that the federal government has extended to the counties, states and cities that you think have been effective, that have been efficient in their delivery of the resources to actually getting more dollars to the projects, I would like you to identify those for us and help us understand what kind of mechanisms we ought to be seeking to really meet your needs.

Mr. BOLEN. Congressman Geren, from the city's standpoint there is no question in my mind that by far the most effective way to deliver funds back to the city and to get the most bang for the buck, so to speak, it is a winner that we will probably never see again, is revenue sharing. It cost you nothing to deliver it back. It did not have a huge bureaucracy to take care of it. You gave us funds that are our local funds that we sent to you and that you sent back to us, and we allocated those here where our citizens in the cities and the states said this is where our money should be spent.

There is no question that it costs less to deliver. We get more bang for the buck, as I said before, on what we spend it on, and it is by far the most economical way to do it.

Now, having said that, that does not address the bridge problems, street problems, et cetera. But if you look at most of the elected officials throughout this country, I think the pressure at home will make those things happen anyway. If we have a bridge go out, like North Main went out, the Pafford Street overpass, we had $1.5 million go into that facility. We all know that when it went out, we took care of it and had to spend some reserve dollars to do it. This will happen to the bridges that the commissioner is talking about. It will happen to the roads. It will happen to the other areas. So we prioritize those funds, but there is no question it is the cheapest way to get dollars into Washington, and you are certainly the most effective tax collecting entity that we have. You have ways that we do not have at home, as you well know. And at the same time you can send them back without having all the constraints and the staff for us at both ends to decide what we can and cannot do with it, and yet I feel, frankly, unfortunately, that probably the one chance of getting any federal funds that we will see again—not in my lifetime.

Mr. GEREN. Would anybody like to add to that?

Mr. JOHNSON. No, I will just ditto what the mayor has said as far as revenue sharing. Before becoming a member of the Tarrant County Commissioners Court, I served as a mayor for six years. And I think those dollars that we received from the federal government through the state on revenue sharing was one of the most effective dollars we got. We did not have to have a staff to use that money. The limits of what could be spent on was not that great. We could, we did have some flexibility to help the people that truly sent the money to Washington to begin with. I think if something could be restored and some money funneled back to the cities through this program, I think it would be very beneficial to us.

Ms. BAGSBY. That whole procedure simply gives people ownership of their government and of their various projects. It makes them participatory in democracy, and it was just a boom to this area when it was available to us. It's certainly something that we would love to see restored. I agree with the major. But we probably would not see that happen. But there needs to be some formula set up whereby citizens believe that the dollars that they send to Washington will come back to them for needed projects locally.

We simply here in this area, be it county or city, we have taxed our people to the limit, even for good projects, good reasons. There simply is a point of no return and I am afraid we have reached it.

Mr. JOHNSON. One other thing, Congressman, if I could touch on too is the Community Development Block Grant funding that we receive here in Tarrant County. And we have a coalition of all the mayors of this county, 37 cities participate in the CDBG program, and I was chairman of Tarrant County Mayor's Council one year. I served very actively with that group for the six years that I was mayor. And I have seen that CDBG program dwindling on an annual basis.

And quite frankly, when you talk about infrastructures, streets, roads, waters and sewers and different things that that money can be spent on, if you would go back and look at the programs that have been established in all the cities that have participated in Tarrant County, you will see what good it is doing with the dollars through grants like this. And I would like for you to maybe take a look at the CDBG program to see if there is some way we might turn that train around and get it going back to at least the level that we had it maybe eight or ten years ago.

Mr. Bolen. Congressman, there is one other funding source that does not cost the federal government one nickel that we have asked for over and over again from the League, that we know in Texas is prejudiced against us and the amazing part is that we find that the balance for almost every state in America it is a benefit to, and that is the Bella Hetch Bill. In Texas, that is $350 million, roughly, that we compete against your local merchants, those in Lafayette, Louisiana, those in California, that we compete against outside, out-of-state firms that are sending merchandise into our area, not taxed, which means that we pay more to buy locally than we do out of state, and we are not collecting those funds at all. It is unfair to the local business people in every community across this country.

In our particular state, and every state league that I talk to, I looked the figures up, Texas is $350 million. When I was in Lafayette, I forgot that number, but it is a substantial amount. And as you know, Congressman Geren, our state legislature fought for three sessions over $450 million for the education bill, and they had a large amount of it in this particular funding source that we do not collect at all.

Now, Congressman Brooks from Beaumont is chairman of that subcommittee. We would like any help we can get to persuade him to put that onto the floor. And I have talked to him in the past. It is one that—that money is available. It does not cost you in the Congress one cent. It belongs to the citizens of the state that they buy from and we are entitled to that if we can get it. We would like your help.

Mr. Johnson. I might add one other thing, since we are on our laundry list and, Your Honor, you will be receiving some information from me rather shortly. But the arbitrage that is now collected and sent back to Washington, if you will, to the Internal Revenue Service for bonds that we sell, we being the governmental bodies, there is some way that we need to get exempted from that arbitrage law of the IRS so that we can use that arbitrage money on a local basis where the money is actually being collected from.

And I think that I understand the reason for the arbitrage law. It was primarily, though, I think to keep private business and industries from getting tax-free bonds and getting into selling those bonds and collecting the arbitrage and using it for whatever they might. But I can assure you that the arbitrage money can be used here on a local level. And if we could get some type of IRS exemption on that particular loss, so that we could use that money locally, that is something I wish you would consider and look at.

Mr. **Geren**. Thank you very much.

The **Chairman**. Congressman Jimmy Hayes.

Mr. **Hayes**. I really do not want to ask much, not for lack of interest, but there are so many issues here that affect Congressman Geren, which he has a much broader range of working, the reverse being true yesterday. There is one thing I do want to ask, though, while I have you, and it happens to be the only question I do want to ask.

The Corps of Engineers, which is testifying later, has got a cost/benefit ratio whenever it does projects. What would you think if our committee started exploring the idea of priorities based in communities on cost/benefit for projects that traditionally do not fall within the corps, but instead, give ranking for need among federal legislation that we might pass with incentives to communities and where the priorities are created by the community, but where those with the highest cost/benefit ratios could therefore compete for the betterment of the country as a whole?

How do you think your county and city would view that kind of mechanism which you compete with constantly presently on the Corps of Engineer projects?

Mr. **Bolen**. Congressman, I think it is a good idea. We have to do it ourself. We do it all the time. But we would like to have input into the process. We would like for you to hear from the local entity, of course, what we think the priorities are and how they run up and down the ladder. I think it is a good way to do things.

I know in our highway system, through the past two or three chairmen, they have almost got it to a point today where they get dedicated right of way on large portions of those highways that they have, and they did that on a cost-plus and a cost-per-mile basis.

We try and do it ourself. I think it is the only fair way to allocate it as long as we have input into the system.

Mr. **Hayes**. Right. Well, I meant they would come from you, and, of course, it would have to come with a degree of oversight for you. Maglev, I see you have got something there about high-speed rail here. Maglev, Dallas/Fort Worth is ingenious. The cost/benefit of that, I think, could be viable only possibly by Los Angeles hooking into the Midwest—rather, Far West. Midwest to them is anything in Nevada. But those are the kind of inventive things we are going to have to do.

And the only other question I would ask, you mentioned earlier some of the problems that you are dealing with in water quality and some of the problems you are dealing with. One of you mentioned asbestos which is a huge problem in Houston, it is a huge problem in construction here, a higher problem where I am from.

What would you think of also prioritizing the health risks, because all buildings are not equal, and all construction is not equal, all the buildings are not suffering under RTC-administered properties, completing in the open market. And the FIFA dollars that take away some of these other better projects are because, in part, because of the funds that are going toward the bailout. What do you think of exempting RTC properties in some cases from these asbestos replacement laws in order to increase the management of that collateral at no taxpayer cost and knock down the bailout cost?

Mr. Bolen. Well, I had not heard that proposal before, but I——

Mr. Hayes. Neither has Congress, but they are going to. [Laughter.]

Mr. Bolen. I had an experience with asbestos personally a year ago, where my kids and I laid asbestos tile 20 years ago by ourselves on our hands and knees doing it, and we took it up. I laid it for next to nothing. It cost me $130,000 to remove it, and then throw it in the trash and then tear the building down. Now if that makes sense, then somebody knows something I do not know. But these are the kind of regs that we are confronted with. And if we could exclude those, prioritize them out, some other way to do that, I would certainly look favorably at that.

Mr. Hayes. Because it costs million of dollars for different programs and environmentally, as I say, all buildings are not the same. I used to be in construction. There are some that should not be allowed to qualify, and there are others that have such incredibly low levels.

Just give that some thought and especially in the future in your opportunities with the League and their activities.

Mr. Bolen. I appreciate that very much.

The Chairman. Mayor Bolen, you referred in your remarks to passenger facility charges, a proposal supported by both the Republican Administration and most of our Committee Democrats. You might be pleased to know that legislation allowing local airports to impose the PFCs was passed by the House just last Thursday, and I know that it could benefit you here. So it looks like it is on its way.

Mr. Bolen. We have followed that, Congressman Anderson. We certainly appreciate your support of that, because you can rest assured it will be used at DFW.

The Chairman. Very good. I think that is it.

Mr. Bolen. Thank you very, very much, Mr. Chairman. Congressmen Geren, thank you very much for bringing the panel to Fort Worth.

Mr. Geren. Thank every one of you for making the time to be with us today, the time I know that went in in preparing your remarks. Your input will be very valuable as the committee continues its deliberations of these important problems. Thank each of you.

The Chairman. Our next panel consists of Chamber of Commerce representatives: Mr. Terry Ryan, President of the Fort Worth Chamber of Commerce; Mr. Jerome Mosman, Executive Director of the Fort Worth Hispanic Chamber of Commerce; and, Mr. Ralph Mason, President of the Metropolitan Black Chamber of Commerce.

Would you all please be seated?

I will recognize you, but you might as well do it the way I introduced you or choose from among yourself: Terry Ryan, Jerome Mosman and Ralph Mason, in that order. You can reverse it if you wish.

[The prepared statement of Mr. Johnson appears on p. 958.]

[The prepared statement of Ms. Bagsby appears on p. 952.]

TESTIMONY OF TERRY RYAN, PRESIDENT, FORT WORTH CHAMBER OF COMMERCE; JEROME MOSMAN, EXECUTIVE DIRECTOR, FORT WORTH HISPANIC CHAMBER OF COMMERCE; AND RALPH MASON, PRESIDENT, METROPOLITAN BLACK CHAMBER OF COMMERCE

Mr. RYAN. Thank you, Chairman Anderson. My name is Terry Ryan. I am President and CEO of the Fort Worth Chamber of Commerce. And on behalf of the Chamber here, I would like to say welcome to Fort Worth. We are delighted to have you here, and I hope you enjoy some of our hot weather. This is the hottest part of the year for us, and I hope you enjoy it.

And, Congressman Hayes, we are glad to have you here from our neighboring state. As always, Congressman, Geren, welcome back home as always.

In accordance with your instructions, we did pass out written comments about the impact of infrastructure on the nation's productivity, economic growth and competitiveness. Consequently, I will keep my verbal remarks as short as possible within the time frame.

If you think back 200 years, rivers, lakes and seaports determined our commerce centers and lines of distribution. One hundred years ago, it was the railroads. Today, it is our airports and our highways.

Infrastructure investments have historically virtually contributed to our nation's economic growth and well-being. Recent economic research has tied the level of public infrastructure spending—federal, state and local—to the productivity growth rate in the private sector. However, during the last 20 years our public works have been shortchanged, in our opinion. Many economists feel this underinvestment and slow growth rate of our productivity means trouble head as other nations surpass us.

Communities face similar problems. When corporations consider cities for relocation, infrastructure is an important factor. And as an aside, one of our most critical activities, if not the singular most critical activity of the Fort Worth Chamber, is economic development, and we talk with people constantly concerning relation and infrastructure. In the new site selection, for instance, for the U.S. Bureau of Engraving and Printing, the Western Currency Plant, the DFW International Airport played a most critical role. The expansion of this airport, in our estimation, is the most important economic issue facing the Fort Worth/Dallas area today.

Another example of the benefits of infrastructure improvement is the Fort Worth Alliance Airport which has attracted the American Airlines maintenance base at Fort Worth and thousands of news incumbent to that particular project. This industrial airport is expected to draw many corporations to the Fort Worth community, thousands of new jobs in this area. And no matter where I have gone in the United States, that particular airport and what we can do is a subject of great interest.

Accessibility, whether it be through airports or highways, is one of the most important criteria for the location of businesses any place in the United States. For example, the Woodhaven area, for all practical purposes, was isolated by inaccessibility some years ago. Opening the highway interchange access with bridges and ramps on I-30 in the area spurred a resurgence of development which reversed the decline, and since has added jobs and improved the quality of life for literally thousands of people in that area, and businesses.

What we see for the future of Fort Worth and Tarrant County, in terms of serious and important needs to the economic development of this area of better than 1 million people in the Tarrant County area and certainly the four plus million people in the whole metroplex are several things that we would prioritize as the most important.

First of all is the expansion of the runways and taxi systems at the DFW International Airport, which will impact, it will not only be good for our own, frankly, selfish and important economic development purposes, but it impacts the entire United States air system. And the improvement of that particular airport helps each and every one of us, including people in your states and businesses in your states, as well as the safety.

Expansion of portions of I-30, our east/west freeway, portions of I-20, our other east/west freeway down south of here, portions of I-35, what we call the airport freeway which is State Highway 121, and critical is the State Highway 287 from Dallas/Fort Worth and the extension of 360 to the Superconducting Supercollider project which, again, will be beneficial not only to people in this part of the world, but people from all over the country.

And finally, the construction and development of a high-speed rail system within the state of Texas, we think is a matter of important concern to all of us, connecting five of the six major cities and encompassing the bulk of the 17 million citizens of Texas.

Each dollar invested in infrastructure is returned many times over. As taxpayers experience an increase in net taxes paid, they look for a return on their investment, as you are well aware. Spending on infrastructure, as it creates jobs and services, provides a high yield on that investment. It promotes the work ethic rather than the handout programs.

We would encourage you strongly to continue your efforts and the improvements of our infrastructure and applaud your efforts in this singular work, and we thank you for coming to Fort Worth and listening to some of our concerns.

Thank you.

Mr. **MOSMAN**. I am Jerome Mosman. I am Executive Director at the Hispanic Chamber of Commerce. Mr. Frank Gomez was supposed to be here today and he broke his leg Sunday. He is okay, but he is not getting around real well, so he asked me to come on his behalf.

I think I am supposed to talk in Spanish, right? So people ask me why are you working with the Hispanic Chamber, so then I start talking in Spanish and then they say, oh, okay, you can work for the Hispanic Chamber.

The Hispanic Chamber is a small one. Pete Geren is a member and knows it is about 300 small businesses, 17 corporate sponsors. It is one of the oldest Hispanic chambers in the state of Texas. It dates back to 1973.

I submitted some comments, Frank's comments to you, and I am going to go over just two or three of those items in the interest of time.

Speaking of economic development and the spending of federal dollars, as a minority chamber we have to mention, too, the fact that the DFW Airport and Carswell Air Force Base and a number of other entities that spend federal funds are consistently failing to reach the guidelines for including minority businesses. They are saying they are making good efforts and all the rest, but you need to be very aware that they are not succeeding. Minority businesses are—it is not dwindling down to the smaller businesses, and this is really sad, because economic development should be area wide. It should be inclusive and not exclusive.

The major roadblocks for minority businesses, you may have heard this but it needs to be said over until someone does something, is the size of the projects. The contracts are so large it rules out a priori any small or minority businesses bidding on them.

And the second thing that small businesses run into is bonding, of course, the strict federal bonding requirements. We are recommending that you break down large federal contracts for any federal projects into smaller units; and secondly, we recommend that you create a federal bonding pool or at least relax bonding requirements so that minority businesses may be included.

The second issue, you asked earlier, what was being successful, a successful expenditure of federal funds. CDBG, Community Development Block Grant Funds are very successful and you need to know that. We as a Hispanic Chamber have administered a CDBG economic development project for ten years. In the last six months, we have run into some serious difficulties, and it seems HUD is trying to actively discourage the expenditure of CDBG funds on economic development, and they are doing this by requiring impossible documentation. It is not fair, of course, but you need to know what they are doing.

For job retention, what they are asking us to do is to prove that this business is going under in a sense that it has already filed bankruptcy, or that it has operated in the red for years and we need their IRS statements to prove that. It seems we can help a business if it is already completely collapsed. But a business that is struggling or the year before it files bankruptcy, we cannot do anything to help them.

Number two, what they are requiring for job creation for low and moderate income people, they are requiring that any new job created, that the person who takes that job must tell us the number of people in his or her family, the income of every person in that family, and they must sign onto that and swear to that and submit that private and confidential information to us through their employer. Well, that is not going to go over with either employers or new employees.

Those are almost impossible, two impossible things they are asking of economic development projects right now.

Obviously, we applaud the intention of the law is to create new jobs for low and moderate income people or retain jobs. What we are recommending is, since 80 percent of small businesses fail in the first five years, and since businesses that fail in depressed areas are probably not going to be replaced. You know, that place is going to remain vacant. Another business is not going to go in there. A banker will tell me, we will not make loans to people to locate in a place where a business has already gone under. We do ont normally do that. It is a bad sign if a business went under there. So depressed areas get more and more depressed.

What we are recommending is that CDBG funds in economic development projects be extended to any small businesses in their first five years of existence, or any small businesses located in depressed areas.

And concerning new jobs, since they are types of jobs that are normally held by low and moderate income persons, we recommend that simply a list or categories of jobs that are normally held by low and moderate income, that this suffice. That if we are creating more waitresses' jobs, we do not have to prove that the lady who or man who took that job was low and moderate income. If he or she went to work for $3.80 an hour, we presume that that was a job created, a new job created for a low and moderate income person. So just the type of jobs should be sufficient without invading people's privacy or seeking confidential disclosures of their size and family and income of every person.

The final remark I would make would be about air pollution. I have lived in Dallas/Fort Worth for over five years, well, seven years now, and I have seen the air consistently get worse. I would encourage the federal government to more actively encourage the use of natural gas and especially public vehicles, trucks, buses, anyone with a large number of vehicles. There may be, and I do not know about it, federal incentives or federal tax credits or awards or something for people who do these things, who switch over to natural gas. But I would encourage that there be more done in that area.

Thank you.

The **CHAIRMAN**. Mr. Mason.

Mr. **MASON**. My name is Ralph Mason. I am President of the Fort Worth Metropolitan Black Chamber of Commerce. I would like to thank you for inviting me here today.

First of all, I do want to echo the concerns from the Black Chamber that minority participation in contracts is a very key area to the economic development of all Americans; that we have a viable minority contracting services. And I think Jerry spoke to that quite well.

However, today I probably want to limit my comments to a particular area of why public works in one sense. You have gathered a very respected panel of people to tell you what is wrong, but I want to focus on maybe why we should correct those things and what is our philosophy with respect to it.

I guess I am more concerned about the connection between infrastructure development and human capital development. As an analogy, I would submit to you that infrastructure development and human capital development appear to me to work together pretty much the same way the muscles and the skeleton of the body works. Muscles hang onto the body or the infrastructure of bones to work, to flex, to be able to produce power.

Well, the same thing, to me, kind of goes along with infrastructure and human capital development. That there is a connection between the two, that the muscles of our society, the human workers, need good infrastructure. But they are there for the muscles; that infrastructure there is there for the workers, I think.

In the past, when the muscles of our society did work, we had things like the great industrial development and wars to spurn them on. I think when we reached the time of the depression, it was the Public Works Department that came to make the connection between workers and infrastructure. We did not build libraries and roads and bridges just to have them. We also built them to put people to work.

I think today in America we are pretty much back to that need again. From the Black Chamber's perspective, the development of enterprise zones to stimulate job opportunities, to stabilize housing in neighborhoods is a critical need in the community. Our central cities represent a sink hole, not only in terms of streets and bridges, but also in terms of human lives. The paradox of the central city is that it decays while it is seemingly great economic development occurring.

Here in the metroplex, the North Texas Commission reported 448,000 jobs were lost in the metroplex by companies employing 100 or more employees. The good news was that 542,000 new jobs came in companies employing less than 100. Unfortunately for the central cities, those jobs went to the suburbs, where the new developments were occurring. The problem is that a vast majority of the business starts were in the suburbs.

What scares me about these statistics, if we understand the importance of public work in the 1930s when there was only 17 percent unemployment, you should understand that in the central cities, such as Fort Worth, over the last five years it has been 20 percent unemployment. And in some key areas, some demographically key areas, such as black males 18 to 54, there has been 25 percent unemployment.

Leading economists such as William Wilson have concluded that the struggle for economic development will be the leading fight for minorities for the 1990s. The growth of manufacturing, retail and wholesale trade in the suburb areas, the flight of affluent families to the suburbs and the decline of the central tax base have made it an increasingly more difficult to stimulate growth in the central cities, where there is infrastructure economic development.

My point is that what good is it to have well-constructed roads in our neighborhoods if people can't ride them to work? What good is it to build bridges between central cities and suburbs where jobs are abundant if there are no mass transit to move people to jobs?

There is a need to stabilize housing. We feel that economic development helps to stabilize housing. We feel that infrastructure development can lead to that.

What is it then that I want to see from the attempt to rebuild our communities as a philosophy in terms of getting about the business?

Rebuilding efforts should focus on projects in economically-deprived areas such as enterprise zones where historically unemployed and underemployed people can not only gain jobs but new skills. Contractors working on projects should have goals and/or incentives for hiring and training underemployed and unemployed persons. Rebuilding projects should focus on private home development to stabilize neighborhoods where possible. Rebuilding efforts should include incentives for attracting businesses to economically deprived areas in order that once the building is completed there will be jobs for those that live in the area. Rebuilding efforts should include incentives to local governments for mass transit plans that are specifically designed to move workers to areas where opportunities for jobs are.

Thank you very much.

The **Chairman**. Well, thank you, Mr. Mason.

First, to the panel, I want to thank you. Your statements have been most interesting. And when we use the words "productivity, growth and competitiveness," we think of concepts and not realities. Now, given your practical business experience, what do you think these words mean as applied to infrastructure and the daily operations of the business community in this area?

Do you have any comments you want to make on that?

Mr. **Ryan**. Well, if I may just make a quick response to that question, Mr. Chairman, it seems to me that the productivity is somewhat of an arithmetic ratio such as how much does it cost to build that bridge, how much does it cost to refurnish, redo, redevelop a particular portion of the city or its highways or whatever the public works project might be relative to what you can gain out of it over a period of time.

And it seems to me that it is not a—at least I do not believe it is a rocket science type of question. I think it really is a matter of applying a business approach, a business technique for any one of us, if you or I were to be running a business, is it worth investing $500,000, a million or whatever it may be into a given project relative to what we expect to get out of that. That is a cost/benefit ratio, and I think Representative Hayes was alluding to that earlier.

Secondly, I think it is a matter of how much of our public funds do we put into a project and how efficiently can we get them to produce the finished result. And again, that, to me, would be productivity relative to putting the project itself together.

The **Chairman**. Would anyone else like to make a comment?

Mr. **Mosman**. I would add a support of what Ralph Mason has mentioned, that productivity needs to be seen in human terms, too. Who are the workers for this project, and what minority businesses will be included in this economic development picture?

Economic development is—right now it is difficult. I was told that a number of former prime contractors are now subcontractors. And so the minority subcontractors are really competing with former prime contractors. So the picture in a number of areas is difficult, and productivity is—the competition is very strong. And when competition is strong, it seems people go out for themselves and the other people can join later, if possible.

I think the federal government needs to ensure fairness that the productivity is spread evenly, and that it benefits everyone.

Mr. **Mason**. I think dealing with the terms of difference between the concept and reality, public works is not just for public works. It is for human beings. And the reality is that until we develop public works at tend to solve some of the other problems going on, at least try to deal with them. No one says that you can solve them all from one perspective such as this. But you can certainly have an impact upon the issues of jobs and economic development.

I heard it once said that a good job can even solve mental illness sometimes, and I believe that. That people when they are out there in the streets without money have a lot of things going on. Particularly in this area, I use the term incentives from your group, and I mean that specifically, because what is going on in the last ten years is chambers such as myself beat up on mayors like Bolen, to tell him that we need tax incentives for economic development zones. And the irony of that he and I both know that this is already the lowest tax base in the city. How much more money can you give away with it?

So we need you to provide the incentives that bring businesses back to this type of infrastructure, this type of economic development that we are looking for. And I believe that—and my concern is now can the Army Crops of Engineers properly factor in the cost and productivity of a project unless you include what is the benefit and return to the local area when you employ somebody?

You know, it is $5.00 spent on the project, but maybe only $5.00 spent to keep somebody off of welfare, and that is the type of reality I would like to see put into it. It is not just buildings. It is people.

The CHAIRMAN. Let me ask my question a little bit different.

Do you believe a better infrastructure would result in a stronger economy for this area?

Mr. RYAN. I do not think there is any question that it would, and I think——

The CHAIRMAN. You mean you think it would?

Mr. RYAN. I think a better infrastructure is absolutely critical to greater economic health and productivity in any community. If you cannot get from your home to your place of work because of a poor infrastructure, that is bad for the economic health of not only you, but of your neighborhood and of the rest of the city, because the city, it seems to me, Mr. Chairman, has got to operate in a fashion where all parts of the city—you are only as good as your weakest link. So all parts of the city have got to have an appropriate water system and appropriate water treatment plant and appropriate this, that and the other thing.

One thing we have done here in Fort Worth, and you asked this question earlier, and that is, what are we going to do here in Fort Worth. It seems to me that our city has, and some of our political leaders have taken some pretty tough heat because we have a very high tax rate in certain areas of our taxing arena. And the reason for that is, is that we have taken funds and put them out and built water treatment plants. The things that we are dealing with are not terribly exotic and have a great sex appeal, but is, as I think Ralph beautifully put, without the skeleton, nothing else works.

So it seems to me that if we do not have a good bus system or transportation system and all the other things that go with it, and we in Fort Worth have taxed ourselves to produce those kinds of infrastructure where many of our sister cities in this whole general area have not done that. They have maybe a higher bond rating, but in the long run I think it will be the better part of political wisdom.

And on this bonding issue that Jerry has mentioned, this is an area where again this city, the private sector, the three chambers are working very closely on this, on how you get bonds to contractors to work on these specific projects, whether it is Alliance Airport or whether it is DFW or whether it is a city thing. And I would applaud their comments, because I think they are very pertinent to the health and welfare of the infrastructure, generated by a strong infrastructure.

Mr. **Mosman**. I would also say the infrastructure is essential. You are not going to have much growth of any kind, you are going to have a decline if the infrastructure is not strong.

The strongest part of the infrastructure I see in this locality is its water. Fort Worth has well planned into many years in the future water supply which in Texas, in the heat and dryness, that that is a real crucial item for the future. Its weakest area I see is transportation, and the problem with that I see is municipalities not cooperating. And I think the federal government is going to have to—I know there is cities studying regional plans and area plans, but it seems mass transportation or mass transit is going to be left to first come, first serve. And when Dallas gets theirs put in place, everybody is going to have to link up to their kind of rail, because they were first in the area. So if you want to link Denton and the superconducting supercollider and Dallas/Fort Worth, you are going to have to use a pre-existing plan.

I think there needs to be more creativity and more encouragement from the federal level to come up with area plans of transportation that include all these suburbs where all these jobs are located, where many jobs are located, and without the transportation to those jobs they do not really reach a large portion of the population, especially the low and moderate income.

The **Chairman**. Mr. Mason.

Mr. **Mason**. Yes, the infrastructure is very good in the general sense, but it should also be thought of in terms of what direction sometimes can have a different impact. By that I mean if all we do is continue to build let us say a perimeter around the city and have this doughnut hole in the middle, then that type of infrastructure has its impact on certain groups, and that bothers me.

I want streets to go both ways, and not just away from the city, and that is what I am saying.

The **Chairman**. Pete.

Mr. **Geren**. Thank you, Mr. Chairman.

I want to thank Jerry and Ralph for participating today, and please give my regards to Frank. I am sorry to hear about his accident. I hope it is not too serious. You are smiling. It must not be too serious.

Mr. **Mosman**. No, it was not. He was playing baseball.

Mr. **Geren**. He is too old to be playing baseball. Tell him that.

I appreciate very much your participating and the time that you spent preparing for this. Terry has identified the needs we have as a transportation center, and certainly that our future transportation center is key to the whole future of this area.

The CHAIRMAN. How old is too old to play baseball? [Laughter.] You said he is too old. I am not too old. I bet I am older than he is.

Mr. GEREN. Frank is 12 years older than you are, Mr. Chairman. [Laughter.]

The CHAIRMAN. I doubt that.

Mr. GEREN. But both Jerry and Ralph dealt with the inner city. Ralph referred to it as the hole with the doughnut. And what we are seeing happening in our area, what has happened in other parts of the country before the problems had reached us, because they are older than us, and we do have some special needs in some of these older areas to attract the business, to bring jobs back into them, to improve the public safety, to help rejuvenate what were formerly the most vibrant parts of the city and parts where they are already hooked up to sewage. They are already hooked up to utilities. There is a lot of good reasons, in addition to the very important considerations, to try to rebuild these intercity areas and to bring life back into them. And it is a strong personal interest of mine and I have been working with a number of representatives of each of your organizations in that area.

As we develop, as the Chairman said, we are trying to make this decade the decade of infrastructure in this country, and trying to put together a large bill that is going to try to be comprehensive and try to see infrastructure as more than just roads, bridges and runways. We would like to be a partner in the effort to try to breathe life back into some of these older areas, be a partner with those who are trying to bring businesses back into them, bring jobs back into them and breathe new life back into them.

If each of you were to prioritize a number of the subjects that you have addressed earlier in your testimony for us as we try to develop this comprehensive bill, what do you think would be the most important considerations for us to put into that bill if we are going to be a good partner in the effort to address the concerns that each of you raised?

Mr. MASON. I will start with mass transit, the focus of getting people to those jobs. Two, economic development of the disadvantaged zones. They have already been identified in the states. These areas are well known as to where underemployment are rampant and things and the decay of those areas that the stimulation of business in those areas by whatever incentive is necessary. And I think from the business flows the jobs and from the jobs flow housing. And whatever impact, and I am not sure it could have on housing. You know, it has been deplorable, the fall of housing in these areas over the last 25 years. All we have is Community Reinvestment Acts, but then we say, well, let the community enforce it. The government kind of throws their hands off that one. The housing and things like that have deteriorated badly. And whatever you can do to impact those three areas, I would certainly appreciate.

Mr. GEREN. Thank you.

Mr. MOSMAN. I would say the key is some kind of built in job creation and job retention plans in whatever spending of funds happen, because the person who has the job can afford the home, can make his mortgage payments or can even purchase one of the HUD homes that sits there vacant.

The second thing would be that the economic development somehow be broken up into small enough units that small businesses, businesses that may not deal in millions and millions of dollars, that many small businesses can participate and feel a part of the project, of this economic revitalization.

Mr. **Geren**. Thank you.

Mr. **Ryan**. Well, I think relative to our area, and I am trying to answer your question narrowly, Pete, because I think they have responded in an appropriate fashion about certain other needs. It seems to me in this area the overwhelming number one priority from an infrastructure relative to our economic development is to ensure that we get those runways expanded at DFW. I mean, I just think without that we will stagnate not in the next five or ten years, certainly not in my adult lifetime, but in our children's lifetime. And I think it is important to the future of our children that that airport be expanded as well as for a lot of other reasons which we have discussed.

I do think also the second probably most important thing, and I am not familiar with the financing of it, but public transportation is a critical need here and in every other city that I can think of in the western United States, if not in the eastern United States. And I think those two infrastructure items relative to highways are the most important priorities that we have.

And then, thirdly, I would say intercity travel from a strictly infrastructure type of approach would be the third most important priority.

Relative to what Jerry commented on about this problem with subcontracting, that is a problem that I think, as I say, we are actively working on today. We have got a task force which is made up of—which one of my staff people heads and which is made up of participants from our three chambers, and that is something we have got to bring to your attention to make sure that when these infrastructure efforts and projects are put into place, hopefully under your bill, that in fact that the benefits are distributed equitably and that small businesses of all types of ethnic, racial and backgrounds participate in based on qualifications.

Mr. **Geren**. Thank you very much. I appreciate each of you taking the time to be here today.

The **Chairman**. Congressman Jimmy Hayes.

Mr. **Hayes**. Because of time constraints, I will not ask any questions, but I would ask that the record reflect that Nolan Ryan and I are the same age. [Laughter.]

Mr. **Geren**. Again, Jerry, Ralph and Terry, I appreciate very much your being here.

Mr. **Mosman**. Thank you very much.

Mr. **Geren**. This is a great opportunity for us to have input, as I mentioned in the introduction, the people who will be the architect of the infrastructure policy for our country over the coming years, and I appreciate your making the time to share your experience and your insights with us. Thank you so much.

The **Chairman**. Our third panel, we have Mr. Jack Sasser, Deputy Regional Administrator of the Federal Aviation Administration's Southwest Region headquarters; Mr. Oris Dunham, Executive Director of the Fort Worth Airport; and Mr. Hershel Payne, Board of Directors of the Texas High-Speed Rail Authority.

Mr. Sasser, do you want to start?

[The prepared statement of Mr. Ryan appears on p. 979.]

[The prepared statement of Mr. Mosman appears on p. 963.]

[The prepared statement of Mr. Mason appears on p. 960.]

TESTIMONY OF JACK SASSER, DEPUTY REGIONAL ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION'S SOUTHWEST REGION; ORIS DUNHAM, EXECUTIVE DIRECTOR, FORT WORTH AIRPORT; AND HERSHEL PAYNE, BOARD OF DIRECTORS, TEXAS HIGH-SPEED RAIL AUTHORITY

Mr. Sasser. Thank you, Mr. Chairman, Congressman Geren, Congressman Hayes. We do sincerely appreciate this opportunity. We do not get these very often, especially in Fort Worth.

As you are probably aware, the Federal Aviation Administration looks at aviation on a system-wide basis. That is to say, we consider the airspace system, our system of airports, navigational aids, security, aircraft, airmen and anything else that has to do with aeronautics.

The national system is dependent on an interrelated state, regional and local system. It is comprised of many smaller systems all fitting together in concert to form a total national system. In the Dallas/Fort Worth metroplex, our system revolves around the Dallas/Fort Worth International Airport. To a large extent, even the economic system of this area revolves around this airport. I believe virtually every presenter prior to me has mentioned the DFW airport as well as the Alliance Airport.

Our current plan for the DFW area is called the metroplex plan within the FAA. This plan not only involves the local system but the impact of all of the other major systems throughout the country. Anything that affects DFW affects the national system. For example, if we have bad weather at DFW for a period of about six hours on any given day, after the completion of only one of the runways that you have heard about today and including a 13 percent anticipated increase in traffic, delays across the entire nation will increase by 16 percent. That is a total impact of DFW on the national system. It is a very significant piece of the total picture. The metroplex plan was developed by the FAA Southwest Region in 1987, in an attempt to deal with growing demand and provide capacity increases necessary to accommodate aeronautical activity in the twenty-first century. It has been revised and expanded several times since then. Currently, some of the components of the metroplex plan include: Relocation of the four cornerpost navigational aids that serve this metropolitan area; installation of two additional VORTACs, navigational aids to serve just the DFW metroplex; construction of two additional air traffic control towers at Dallas/Fort Worth International Airport; significant expansion of the existing terminal radar approach control facility; installation and upgrade of the existing radar system to include a total of four radar sensors, that is two new ones, two additional ones; extension of the two existing runways, and you heard Mr. Ryan from the Chamber of Commerce mention those; construction of two new runways, he also mentioned that; four new instrument landing systems with associated approach lighting systems.

Our metroplex plan also considers all other parts of the airspace/airport system for a nine-county area which includes the counties of Dallas, Tarrant, Parker, Ellis, Johnson, Rockwell, Denton, Collin, and Wise Counties. There are 245 airports in those nine counties, of which 46 are open to the public. One hundred and ninety-nine are privately owned, restricted use, and that includes heliports at the hospitals.

The other air carrier airport in this metroplex is Dallas Love Field. It has already begun rehabilitation of one runway and the other one is planned. We are in the process of constructing a replacement air traffic control tower at Love Field. I am sure you are familiar with the satellite air carrier airport study that was made public just a few days ago. The first phase, the feasibility phase, has just been completed by the North Central Texas Council of Governments. The second phase, which would include some sort of site-selection studies, is scheduled to begin soon. The Dallas/Fort Worth metroplex also includes two very unique types of facilities. One is the Garland Heliport. That is a new facility. It is now open and it is a unique facility found only in a very few major metropolitan areas in this country. The Fort Worth Alliance Airport, which you have heard of already, is unique unto itself in that it is the first industrial airport built from the ground up for that very purpose. You have recently read of the activity that is currently at this airport. It far exceeds our expectations and it represents a new concept in airports for added capacity, system relief and economic impetus for the metroplex, as well as the national. It also represents a unique funding mechanism, which I believe you might be interested in. It represents a partnership or an alliance between private funding, local funding, state funding and federal funding.

We estimate the total aviation needs of the metroplex to be somewhere in excess of $150 million for the next ten years. Any possible new air carrier airport would be in addition to that. Assuming continued legislation, and I noted with interest your comments, Mr. Chairman, on the PFC, passenger facility charge, is very encouraging to hear that. We would consider funding of approximately $120 million of this $150 million need. That does not include a new air carrier airport should that become necessary in the next ten years.

If that were to be a reality, you could add about a half a billion to $1 billion, depending on the economy at that time, for the initial phases of it.

Now the questions: What do we need to be doing today? Where are we going for tomorrow? And how do we get there?

We need capacity. We need the infrastructure to support that capacity. And the things that we think might get us on the road to that are such things as: Airport master plan updates, a continuous planning process for every airport in the area; land use plans with land set aside for industrial/economic benefits; noise and height zoning; environmental zoning even, something that has not been done to a great extent around the country yet; planning and building of the necessary infrastructure/construction to support new development at airports such as access roads, public transportation, high-speed rail, hotels, and available skills in the job market. We need coordinated overall metroplex planning with all agencies and all entities involved; and establishment of some joint oversight groups for specific functions such as environment, noise, height, airport development and industrial development.

We appreciate the opportunity. Thank you for coming to Fort Worth. We are happy to see you here.

The CHAIRMAN. Mr. Payne.

Mr. PAYNE. Chairman Anderson, Congressman Hayes, my good friend Pete, it is a pleasure to appear before you this afternoon. Although I am here today to talk about high-speed rail as a member of the board of directors of the Texas High-Speed Rail Authority, I would be remiss if I did not comment to Chairman Anderson that I also serve as chairman of the American Public Transit Association Governing Boards, a member of the legislative committee of that organization, a member of the board of directors of that organization, a member of the executive committee of that organization, and as such I have had the distinct pleasure of serving with your friends, Larry Jackson and Joe Brooks, and I know we all are unhappy and suffer at the untimely death of Joe Brooks, who was all our friend, and I know he was a personal friend of yours, and for that I give you my sympathy.

First, I would like to explain the work of the Texas High-Speed Rail Authority. It has been mentioned on a number of occasions here this afternoon. The Authority was created by the Texas Legislature in 1989. We have been in active operation since 1990. In late June of this year, we solicited letters of intent from groups wishing to apply for a franchise to design, construct, operate and finance a high-speed rail facility in Texas. Our application process will proceed with the issuance of a request for proposals for applications this fall. Applications will be accepted in early 1991, and a decision will be made on franchise applications in May or June of 1991.

The franchise will be fully funded from private sources. It seems rather strange that we are going to finance a $2.2 billion high-speed rail facility from Fort Worth/Dallas to Houston with total private funding and total private sources, but that is the program. There will be no state funding provided for this project.

Our agency has power of eminent domain which can be used on behalf of a franchisee, but all costs of the project will be borne by the private sector. Despite the absence of subsidy, two consortia, composed of American and international firms representing French and German rail systems respectively, are very interested in placing a system in Texas.

Again, I would be remiss without digressing for a moment to remind all of us where this country stood in the 1860s when we pioneered intercontinental rail transportation, and today we are having to go to Europe and Japan and Norway and the other countries to bring back the technology which we pioneered in this country.

Texas's topography in the region between the state's most populous areas is ideal for a high-speed rail system. The existing and projected patterns in air and highway traffic, coupled with the population projections for the near future, indicate that high-speed rail transportation could serve as a complementary mode to move people and goods in Texas. These and other reasons have attracted serious inquiries from internationally-respected corporations which seem eager to invest in this country and in this project. Given that a Texas high-speed rail facility will be a private venture, it will be up to the applicants to decide which cities will be served in their applications, and what technology they will use to offer these services.

The applicants' decisions on technology will be left to market considerations, since the financing will be purely private. The timing of their decision may preclude consideration of U.S. maglev technology, a matter of concern to those members of Congress currently interested in federal legislation to promote a domestic maglev industry. While our statutory franchise process may inhibit the application of U.S.-based maglev technology, please be assured that our invitation for high-speed rail project in Texas is completely open to any groups willing to propose construction of a maglev project.

In my opinion, the current discussions about the relative merits of rail-based and maglev systems overstates the importance of rolling stock in the decision to proceed with high-speed rail projects. Rolling stock costs account for a fraction of the overall costs of high-speed rail. The majority of the costs of a high-speed rail facility are in engineering and fixed system costs. These services and products will be provided for the consortia in Texas by local suppliers, contractors, and engineering firms to a large extent. Each of the two consortia who are bidding for this project have a number of local and United States corporations that are leading the consortia. I personally have discussed it with both the German and the French, and they have assured me that at least 90 percent of the project will be used in a "Buy America" type situation. The majority of jobs created, in both construction and operation, will benefit Texans.

Texas is also interested in the potential for licensees to manufacture rolling stock in our state. Given our fast application process, we hope to have an operational high-speed rail system by the end of this decade. Texas could then be poised to become a magnet for high-speed rail ancillary operations, which create jobs for our citizens. We must not forget that any kind of high-speed rail system, regardless of the technology of the rolling stock, has significant economic benefits to our citizens.

A high-speed rail facility would not only bring economic benefits in the creation of jobs; the addition of high-speed rail increases the capacity of the total intercity passenger transportation system, providing economic benefits to the travelling public. Current delays and congestion in the air and on our highways have discrete, definable economic costs. High-speed rail can meet some of the increasing travel demands of Texans into the next century, and diminish the overall societal costs of passenger transportation.

Congress has a monumental task in 1991; the reauthorization of the federal-aid highway program. I know this has been something that has been very dear to Congressman Anderson's heart for many years. Congressman, we appreciate your pioneering this and you have been a friend of transit for so many years that you and all of us who have been involved in the public transit industry take our hats off to you as we do every year. We appreciate and applaud you for that.

The **Chairman**. Thank you.

Mr. **Payne**. As the nation approaches the end of the interstate era, the federal government is faced with an opportunity to redefine its role in how it assists states in highway construction and maintenance. The growing problems of highway congestion, limited rights of way for highway expansion, and increasing pressure to limit automobile-related air pollution also lead to the reconsideration of the importance of public transportation providers in the federal program for surface transportation.

You have copies of my statement. I know you are running late. I will, therefore, cut this rather short.

The **Chairman**. It will all be in the record if you have given us your statements.

Mr. **Payne**. I have given the statement, Congressman Anderson, and you have the statement and know basically the considerations that we are looking for.

In summary, we commend this subcommittee for your interest in high-speed rail transportation. I encourage you to take actions to develop federal high-speed rail policies which benefit all high-speed rail technologies: steel wheel and maglev. We feel that high-speed rail technology such as may be proposed in Texas represents a significant step forward in passenger transportation from a consumer's standpoint. A successful franchisee will be offering transportation consumers a completely new choice, something no one in this country can provide now. Rail-based high-speed technology is misappropriately named as existing technology in this country. We must remember that nothing exists in this hemisphere that can be called high-speed rail.

Our board is committed to seeing that Texas is the first state to implement ground passenger service in excess of 150 miles an hour, should our review of the applications we expect prove that a franchise is in the public convenience and necessity. We look to the federal government to join us in facilitating this project.

Thank you very much, gentlemen. We appreciate your coming here to hear us.

The **Chairman**. Yes, Mr. Oris Dunham, the Executive Director, Dallas/Fort Worth International Airport.

Mr. **Dunham**. Thank you very much, Mr. Chairman. Thank you, members of the committee, for coming and letting us have an opportunity to speak to you on I know a subject of great interest to you, that is, the national infrastructure.

I am here today as Executive Director of the Dallas/Fort Worth International Airport and also as Chairman of the Airport Operators Council International, to support your continued efforts of that in all transportation modes. I would be foolish not to recognize right up front that there are many other modes of transportation and, of course, air is the one that we are vitally concerned with. And so I must make a few comments relative to air before I can talk about some of the other modes of transportation.

But the airports are of great importance and vital concern to the airport operators, and the capacity limits that we now are experiencing and delays at the various airports throughout the nation, we find that some of them are totally unacceptable, and we expect that in the future more and more airports, as I know you have heard, will become increasingly delayed as time goes on.

As the world's second busiest airport, we are fortunate to have one of the lowest delay factors and delay costs of any airport in the United States. This is primarily as a result of some very far-reaching and forward thinking by some of the people that live in this community and the federal government's participation some 20 years ago to acquire the amount of land that would enable us to build an airport with six runways.

However, our projections show that DFW's passenger traffic will double over the next 20 years. Aircraft operations will double to approximately 1.2 million flight operations a year during that period of time. And in order to accommodate that, we have set forward on a very ambitious plan that will cost some $3.5 billion in expansion monies.

As you heard earlier from our friends at the FAA, two new air carrier runways will be needed to allow us to accommodate both triple and quadruple instrument approaches during the IFR conditions at the airport.

American Airlines has on the drawing boards, and is just waiting for the runways to be approved, a new $1.2 billion terminal with 66 more gates for the airport.

With the infrastructure to support this expansion, it is not just runways and terminals. Other infrastructure that we need are such things as new control towers. One of the interesting things that this airport will have will actually be three control towers when we reach our final expansion. Really, we will operate the airport as two different airports, an east side and a west side, during the busy times of day, and only late at night will we go back into the main tower to operate the whole airport.

We need airspace which the FAA is working on to allow dual cornerpost approaches. We need highways and light rail to provide access to the airport. Roadways and additional parking at the airport are of vital concern. And, in fact, we are under construction now with an additional parking garage. That might surprise you when you look at the airport and find that we have 27,000 parking places already, but we find times that those are all full.

These improvements will all be needed to maintain the high level of service that we provide to the traveling public.

We feel that we need a balanced approach in the infrastructure improvements. Airspace is equally as important to us as the airfield and runways. The runways are equally as important to us as the terminal and the land side. And the land side needs mass transit and highways to get the passengers to and from the airport that will support the terminal development.

Without this balanced approach and the concurrent development of all of these sectors of the infrastructure, our ability to handle the traveling public in a method and a level of service that we feel is necessary for the citizens that own us will be greatly reduced.

In order to funds these improvements, I would just like to thank the members of the committee for their support of the last week's vote on the passenger facility charge. It is a vital and reasonable way to finance projects of great importance to the airport and enable us to expand in the areas that we do need for capacity enhancement. I believe that this is the only way that we will ever be able to fully provide the level of facilities that the airports have agreed upon with the FAA; some $50 billion over the next ten years.

But it is just not airport expansion that I feel is needed. The total transportation network, as I mentioned earlier, is necessary to enable us to provide the level of service at the airport. Since they all interact—you have heard about high-speed rail. If you go to Europe, you will find high-speed rail coming right into the basement of the airports. I think that is of vital concern. When airspace becomes your limiting factor, why should you take up airspace with an airplane that might seat 16 people when you could put somebody on a high-speed rail right out of the middle of the airport to some reasonable destination that they would reach as quickly, maybe quicker, by rail?

We feel that we have one of the greatest airports in the world. However, we look forward in the future to the additional improvements, better highways, better access and also rail access to the airport would provide.

Although, as I said, as executive director of the airport we are certainly concerned about aviation demands and requirements, we certainly support and strongly support the infrastructure that is needed for the other areas of transportation. Without them nobody could get to the airport. Our employees could not get to the airport, and we would be lost.

I would just like to thank you for your coming here, and I would be happy to answer any questions you might have.

The CHAIRMAN. Thank you.

If some portion of a new infrastructure program were allocated according to a benefit/cost ratio, would those projects measuring out as being the most beneficial, getting preferential treatment, how do you think that the aviation capacity or the aviation safety projects would do compared to highway or transit or sewage treatment projects?

Mr. DUNHAM. Well, I will start.

The CHAIRMAN. All right.

Mr. DUNHAM. I think if it is on a benefit, and you take into all considerations of the benefit, and that is, commerce within the United States as an international trading partner, not just for the person that is using the airways to fly on vacation, although tourism is one of our biggest national product, I believe, I think that we would rate very highly with the rest of them. I do not think that we would have to take a second class to anybody. Maybe sewage might come first.

The CHAIRMAN. I agree. I would think you should, but I am not sure that you would. I think it is kind of one of those questionable issues.

Anyone else like to comment?

Mr. SASSER. I think that maybe aviation would probably be a predictable answer for me. I think that aviation would rank highly. I would agree with Oris.

However, I would hasten to add that a transportation system that favors only one mode of transportation is very vulnerable.

And what I think we need in this country, as is needed and proven by many facts in other countries, is a balanced transportation system that does not favor a single mode. I think the public will decide where the favor is as far as which mode of transportation. But I think a balanced transportation system that offers the same opportunity to all modes of transportation is very, very key to the survival of many of the infrastructure problems that we have.

Mr. PAYNE. Public transit is not singular. It encompasses all modes of transportation. In the European Economic Community, the plan of transportation throughout Europe envisions using all modes of transportation: highway, high-speed rail, light rail and, of course, air.

As Oris has pointed out earlier, many of the people can go faster and be better accommodated by a combination of modes of transportation. They are not—a high-speed rail authority is certainly not going to put American Airlines out of business, nor is it going to put Southwest Airlines out of business. We are in the people-moving business. That is what this country needs is people moving with less environmental impact. The better we can do that, the better this entire country is.

I think, of course, sewers, who can argue with an improved sewer system in this country? But also, who can argue with the fact that this country moves on transit? And this country has become a more mobile country. Every year we are more mobile than we were the year before.

As Congressman Hayes pointed out, this morning you were in Louisiana and today you are in Fort Worth, Texas this afternoon. That could not have been possible. We move on transit, and we have to have a combination of all of the modes of transit.

The CHAIRMAN. Pete.

Mr. GEREN. Thank you, Mr. Chairman.

I want to thank this distinguished panel for putting the time in to prepare for this and appear here today. I have a number of questions, and in the interest of time I want to submit some of them in writing, particularly to Mr. Sasser and Mr. Dunham, on the particular needs we have at DFW Airport. But I would like to direct my questions at this point more to the big picture, and each of you has spoken of the need to look at all of our transportation systems together.

I see in our area a problem that not only, so we perhaps look at all of them together, but we do not even really coordinate some of the same modes very well. And we found ourselves over the last year in some ways arguing with proponents of changes at Love Field, over how those two airports should work together, DFW and Love Field.

Do you think that we are, as a federal government or as a public works and transportation committee, doing a good job in fostering the kind of big picture assessment of our transportation needs that should take place on the local level perhaps?

Are we doing what we should to encourage the regional planning, both in regard to the airports and considering the opportunities for land transportation, that we should do?

I tend to think that we look at aviation here and we look at rail here and we look at highways here without really considering how they work together, and I do not know if some other countries have done a better job of integrating those than we have.

I would ask your general impressions about whether or not you think we do a good job in setting policy that maximizes the benefits from at least all three. And if not, what could we do to perhaps improve that and encourage cooperation between the various transportation modes?

Mr. **Sasser**. I think that is one thing I specifically mentioned. I agree with you. I do not know that we are doing a bad job. Certainly transportation is not languishing in the Dallas/Fort Worth metroplex. But I think we could do a better job, and I think some of the ways are such things as some oversight committees or a better coordinated planning process with all entities involved, meaning all entities such as all cities, but also all entities such as all modes of transportation. I am in total agreement with what you just said.

Mr. **Dunham**. I might add, I guess I would not feel qualified to say how the transportation committee of the House is going to push down your view on how it should be coordinated. I agree with Jack, however, that I think there is room, there is always room for improvement. I think we do a fairly good job here, though. And if you look just at the airport as an example, we will soon be entirely encircled by freeways, two more under construction now, one up the east and one up the west side. I am not sure we will ever have enough, to be quite honest with you, because no matter how many times you open a new one, it seems to be clogged the next year.

We are working with the Highway Department to put access across the airport, to cut down on some of the freeway traffic. We have dedicated rail line. We have reserved space for rail line to come into the airport.

So I think on a local matter, at least as far as it relates around the airport, I think we are doing a fairly good job. I do agree with Jack, though, that I think maybe instead of just the Council of Governments talking about some of this, that there could be a little more action, because I do see—we end up, seem to be competing for the same amount of funds and maybe that is the job that you have to hold down in Washington is to try to decide what is the, as Chairman Anderson mentioned, what is the best benefit for the dollars.

I do not like to go out and compete with sewer districts and housing projects and everything for funds. That is why we are now supporting letting us collect our own money on the airport and we will keep it there.

Mr. **Payne**. I think one of the major problems your committee has faced since 1980, you have been under increasing pressure for the reduction in funds for transportation. These funds have been reduced annually since 1980, and you have now, rather than working together, highways, public transit, and air each competing for these reduced funds. I think you have done a marvelous job in "keeping all the balls in the air," and trying to provide funding for all three of these very important parts of our economy. But I think that, if anything, we need to look at transportation in general and all modes of transportation rather than trying to say, okay, we have the highways here, we have transit here, and we have the air here.

I think if we can get all three of the modes of transportation more integrated with each other, pulling in the same direction, then I think we are better off.

There is certainly no criticism of your committee, because as you certainly well know you have been under increased pressure since 1980 as the funds have been reduced and the budgetary problems that you have faced since that time.

Mr. GEREN. Again, thank you all for your responses. I have several questions I would like to submit in writing that have to do specifically with some of the technology needs at DFW and of the FAA.

Hershel, I would like to ask you just for a moment, for the benefit of the committee, to discuss what you see from the Texas perspective the advantages of the steel wheel high-speed rail as opposed to maglev. I know our committee has spent some time looking at the maglev option. It is certainly a great concern to the Chairman.

As I understand it now, Texas is more likely to end up with a steel wheel rather than the maglev, and believing that it better serves the needs of our region than the maglev would.

Mr. PAYNE. I think, Congressman, the reason that we in the Texas High-Speed Rail Authority at this point are looking at steel wheel as opposed to maglev is that maglev is still experimental. There has never been a proven maglev system in operation. Steel wheel has been in operation for some time. Steel wheel in France right now has broken 300-mile-an-hour barriers. Maglev can do the same, I feel certain, but maglev does not have the track record that steel wheel has.

Steel wheel is, in my opinion, after having ridden the maglev and the steel wheel, it is equal to maglev in comfort. It is equal to maglev in speed. It is much cheaper to construct steel wheel than maglev. Due to the topography of Texas being rather flat, we do not need anything other—we do not have to tunnel, we do not have to up and down the mountains and the hills that some others may have. Therefore, steel wheel is very conducive to the Texas topography.

I guess the main thing is we want something that has a proven track record, that we think is operational now. The French TGV, for example, has been in operation for a number of years without one single accident, without one single problem.

We think maglev is technology of the future, but it is still experimental, and we are looking for something that at this point in time that is proven, and we feel that would well serve us into the year 2020 or 2040.

Mr. GEREN. Thank you very much. I have no further questions at this time.

The CHAIRMAN. That concludes this panel. Thank you very, very much for your presentation.

Our next panel consists of: Mr. Mike Mocek, Chief of Planning Division of the Fort Worth District, U.S. Corps of Engineers; Mr. Jim Oliver, General Manager of the Tarrant County Water Board; and Mr. Arnold Oliver, Engineer-Director of the Texas Department of Highways and Public Transportation.

We might start you just in that order if you would like. Mr. Mocek first, and Mr. Oliver and—oh, Oliver and Oliver, okay. It threw me there for a minute. So I will let you guys make that decision.

[The prepared statement of Mr. Sasser appears on p. 982.]

[The prepared statement of Mr. Dunham appears on p. 954.]

[The prepared statement of Mr. Payne appears on p. 973.]

TESTIMONY OF MICHAEL J. MOCEK, CHIEF, PLANNING DIVISION, U.S. CORPS OF ENGINEERS, FORT WORTH DISTRICT; JAMES M. OLIVER, GENERAL MANAGER, TARRANT COUNTY WATER BOARD; AND ARNOLD W. OLIVER, ENGINEER-DIRECTOR, TEXAS DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

Mr. MOCEK. Mr. Chairman, I am Mike Mocek. I am the one non-Oliver here today.

On behalf of the Fort Worth District of the Corps of Engineers and Colonel William Brown, our District Engineer, I am honored to participate on this panel and provide testimony on our flood protection activities in this region. The Fort Worth District was established 40 years ago in response to the devastating floods of 1949, and since then we have served the flood protection and other water resources needs of two-thirds of the state of Texas.

The Trinity River Basin comprises an important portion of the area that our district serves. With its headwaters to the north and west of the Fort Worth/Dallas metroplex, the Trinity River and its major tributaries flow through both cities and then southeastwardly to meet the Gulf of Mexico just east of Houston.

Since 1950, the Fort Worth District has constructed eight multiple-purpose reservoirs in the Trinity River Basin, and two major floodways, one in Fort Worth and one in Dallas. These Corps of Engineers projects represent a federal flood control investment in the basin of over $124 million, and updated to current price levels that's over $520 million. This sizeable investment has paid for itself many times over. In the April-May 1990 floods alone, our projects prevented an estimated $2 billion in damages in the Trinity River Basin.

Flood protection in this region is not complete, however, and probably never will be. The flood damages we experienced this past April and May in the Trinity River Basin have been preliminarily estimated to exceed $300 million. Just one year ago, our region also suffered millions of dollars in flood damages during the floods that occurred in May and June of 1989.

In response to the heavy economic losses and human suffering experienced in the 1990, 1989, and numerous prior floods, the Fort Worth District is currently involved in three significant efforts that may lead to future expansions of our flood protection system.

The Upper Trinity River Basin Study was authorized by resolution of the Senate Committee on Environment and Public Works on April 22, 1988. We have completed the reconnaissance phase of this study and have negotiated a cost-sharing agreement for the feasibility phase with the North Central Texas Council of Governments acting on behalf of 15 sponsoring entities. And these 15 entities include: nine cities, three counties, Mr. Jim Oliver's organization, the Tarrant County Water Control and Improvement District, the Trinity River Authority, and the Texas Water Development Board.

I would like to emphasize that this is a $7.5 million, five-year, comprehensive cost-shared study effort involving approximately 20 participating organization. Close intergovernmental cooperation is absolutely essential for us to enjoy any degree of success in this study. I believe we have both the interest and the organizational structure to facilitate such cooperation. This cooperation, plus the automated, comprehensive data base we will establish for this study, makes the Upper Trinity an appropriate model, I believe, for addressing a wide array of infrastructure needs in the metroplex and also in other regions of our country.

A second Trinity River Basin study was authorized by the Senate Committee on Environment and Public Works on June 12 of this year, principally to address those areas south of the Fort Worth/Dallas metroplex suffering losses in the floods of 1990. The Trinity River Authority has indicated its interest in sponsoring this study which will be jointly conducted by the Fort Worth and Galveston Districts of the Corps of Engineers. Initiation of the reconnaissance phase of this study is awaiting fiscal year 1991 appropriations.

Our third major flood protection effort in the Trinity River Basin is the Dallas Floodway Extension, a project authorized by the Rivers and Harbors Act of 1965. Had this project been in place in 1989 and in 1990, a great deal of economic loss and suffering would have been prevented in the industrial and lower income residential areas of south Dallas.

This project was under design in 1982, when the local sponsor found itself unable to continue assurances of its support. Consequently, the project has been held in an inactive status until 1989 when the City of Dallas renewed its commitment and asked that we resume our efforts. We will begin a reevaluation of this project in fiscal year 1991, pending the appropriation of funds.

In summary, the remaining flood protection needs of this region are great—as are the environmental needs and concern. Our intent is to address both flood protection and environmental issues with the three major efforts that I have just described, plus numerous small projects that we have under way. We maintain close working relationships with all our project sponsors, with the public, and with other entities of government and find those relationships to be absolutely essential to the successful accomplishment of our responsibilities.

I thank you for the opportunity to address your committee this afternoon and would be happy to respond to any questions you may have at the appropriate time.

The CHAIRMAN. Thank you.

Jim Oliver.

Mr. JIM OLIVER. Thank you, Mr. Chairman.

My name is Jim Oliver, and I am General Manager of Tarrant County Water Control and Improvement District No. One. Our water district was created in 1924, in response to a devastating flood that occurred in 1922 and inundated Fort Worth. Since then, we have expanded our role from flood control to include water supply, and we now supply 30 municipal and industrial customers throughout ten counties in north central Texas. The District owns and operates four major water supply reservoirs as well as operates and maintains the Fort Worth Floodway as a local sponsor with the Corps, and the Fort Worth Floodway is a system of levees and flood control structures along the West and Clear Forks of the Trinity River that encompasses some 26 miles of the river.

For the past two consecutive springs, the District's water supply reservoirs and the Fort Worth Floodway have been hit by flood events brought on by record rainfall for this region. In both 1989 and 1990, average rainfall totals, which are in this area approximately 30 to 32 inches, were reached throughout north Texas by June of those successive years. So in the first six months of each year, we reached our annual totals in both 1989 and 1990.

The District's four reservoirs were all designed as water supply reservoirs. Each reservoir only has a small amount of useful floor storage capacity. We own all the real estate below the reservoir, but we only have a flood control easement above, a small flood control easement above the reservoir operational level, and it is only there for temporary storage. Inasmuch as it is just a flood control easement and the residents or landowners who own the property along the shoreline have been able to and have chosen to construct homes and other improvements in these flood flowage easements.

The development around the reservoirs located northwest of Fort Worth on the West Fork of the Trinity River, around Bridgeport and Eagle Mountain Lakes, experience considerable damage as a result of these recent flood events. Also, flooding occurred along the Fort Worth Floodway as well. Residences located near several sump areas along the floodway were flooded due to high flows in the river which prevented water that collected in the sumps to flow into the river. These sumps were designed for only a 50-year flood event back in the 1960s, late 1950s and early 1960s. Development in these adjacent urban areas has decreased the level of sump protection due to the loss of valley storage. Increased volumes of water now moves more quickly into the sump areas. When the river stage is above water level in the sumps, water cannot flow out of the sumps. Thus, the sumps overflow and flood some of the low lying neighborhoods in those areas.

The area between the terminus of the Fort Worth Floodway and the Dallas Floodway experienced heavy flooding as well. This area has never been channelized or protected. It is some 30 river miles that lie between Fort Worth and Dallas.

The two consecutive years of serious flooding in the Upper Trinity River Basin have accentuated the need for additional flood control planning for the region. As Mike said, the Fort Worth Corps of Engineers has recently completed a reconnaissance study that identified several structural and nonstructural alternatives that would alleviate flooding problems in the Upper Trinity River Basin.

The recommended alternatives, several of which impact our District's existing flood control and water supply structures, will receive further study in a feasibility study to be initiated by the Corps, as Mike said. The study will investigate potential levee improvements along the Fort Worth Floodway as well as evaluate the performance of sump areas and their impact on interior drainage through Fort Worth. Finally, the study will evaluate a potential flood control reservoir on the West Fork of the Trinity River between our two lakes, Lakes Bridgeport and Eagle Mountain Reservoirs near the City of Boyd, which is in Wise County.

If built, the Boyd detention structure will serve to store flood flows on the West Fork of the Trinity River, and right now there are no flood detention facilities on the West Fork of the Trinity River. The structure will have no water supply function. However, there will be a water quality improvement situation because the flood control structure will trap the sediments before they get into Eagle Mount and Lake Worth, which are two of our primary water supply lakes and the City of Fort Worth's water supply lakes. Those sediments would normally travel downstream and contribute to the siltation of these reservoirs. Water supply releases from Lake Bridgeport would be allowed to pass through to Eagle Mountain and down into Lake Worth.

The flood control storage provided by a Boyd detention structure would assist in the storing of flood waters and the timing of flood releases from reservoirs throughout the Upper Trinity Basin as well as help protect the District's Bridgeport and Eagle Mountain Lakes from flooding. Also, the Corps's feasibility study could recommend a structural alternative such as Boyd in lieu of other possible downstream improvements and extensions to the existing floodway. So by trapping some of that water upstream and releasing it in a systematic manner, we could possibly avoid raising the levees through Fort Worth and some other structural alternatives that could be very expensive to do in the urban areas.

The feasibility study, as Mike said, is scheduled to commence in September. Should this study recommend structural alternatives within the operational area of our water district, the Tarrant County Water District will serve as the local sponsor of any problems pursued by the Fort Worth District of the U.S. Army Corps of Engineers.

Thank you, gentlemen, for the opportunity to speak.

The CHAIRMAN. Arnold.

Mr. ARNOLD OLIVER. Thank you, Mr. Chairman, and again, I want to thank the committee for giving us an opportunity to be here. We appreciate your presence and your taking the time to come to Fort Worth, Texas.

The CHAIRMAN. I would especially like to thank you. You know, you are working pretty hard. I am not sure they are aware. You were testifying before us about ten minutes after 9:00 this morning in another part of the state.

Mr. ARNOLD OLIVER. That is correct.

The CHAIRMAN. So I want to say thank you and congratulations. It is even beyond the normal.

Mr. ARNOLD OLIVER. We want you to be sure to get our message. [Laughter.]

We talked about rural needs this morning. We would like to focus a little bit this afternoon, since we are in the middle of this metroplex area, on some of the urban problems. And in the interest of time, I will skip a good deal of my prepared remarks, which you have a copy of.

But I would like to focus your attention on the fact that Texas today has a population of about 16 million people. We expect to reach a population of about 20 million during the next decade. Until 1940, we were predominantly a rural state. That is, about 80 percent of our people lived in rural areas. Today, however, that picture has completely reversed. About 80 percent of all Texans are now urban residents. That means that we are about 5 percent more urbanized than the national average.

Over the last few years, in Texas, we spent a great amount of our resources trying to alleviate the congestion problem in our metropolitan and urban areas. In spite of the great expenditure of those resources, we are just barely keeping pace with the increase in traffic. We are not making that much inroads into congestion problems in our urban areas.

The increasing urbanization of Texas demonstrates what we consider to be the national imperative of Texas highways and why we feel that federal assistance has to continue. That assistance has to reach out beyond today's interstate highways. And in this light, we join with the American Association of State Highway Transportation officials in recommending a restructuring of the federal/state partnership in the current federal aid program.

They recommend a two-part program structure—a categorical or a focused program and a flexible program—for both highways and public transportation. This two-part structure would continue to address the national needs, but it would also allow the states the flexibility to determine and address local needs.

And to give credit where credit is due, I think that the administration's current transportation policy and the proposed legislation being drawn by the Federal Highway Administration addresses a great number of the problems that we face in transportation these days. In my estimation, they have done a good job of focusing on intermodal issues which you have heard a great deal of testimony here today.

Another point we would like to make, and these are embellishments to my written comments, but I hope you will take them under advice, we feel that in the reauthorization of the new transportation bill, it is going to be very important to revise the formulas through which federal funds are distributed to the states. Texas is one of 15 "minimum allocation" states, of which California is also one, Mr. Chairman. That means that we only receive back about 80 to 85 percent of the funds that we contribute to the various trust funds. We feel like in the future it is going to be very critical that we receive a greater funding of this.

It may be interesting to note that the current apportionment formulas for the majority of our highway system in this nation are founded upon factors that were put in place in the first Federal Highway Act in 1916. Those are primarily land area, postal road mileage, and population. We maintain that after all these years that new factors that can respond to changing situations, not only in the individual states but across the country, should be considered.

At the beginning of the system, in 1916, postal road mileage since we had very few paved roads, was a good indicator of the need for the system of the United States. That system is essentially complete at this point. We are not adding a great deal of mileage to the system. We are adding lane mileage but not center line miles. So we feel that that mileage is no longer adequate to represent the system. Same thing for population. The population is only calculated once very 10 years. So you have a shift in demographics or population, you have to wait 10 years to get the benefit from that. We also feel that there are better indicators that formulas could be based on that would be more fair and equitable for the states.

Now, one would be lane miles. This is a direct measure that we know from day to day the accurate figure of lane miles, and this measures the extent of the system, how big it is. We think that vehicle miles traveled, which is a very current indicator of the use of your highways, determines the usage of that system and how fast it is liable to deteriorate. We also feel like the fuel usage should be a factor in computing the formulas for apportionment to the states. This measures, to a certain extent, the usage of the system, but it also will capture, in terms of diesel fuel usage, the usage of trucks on the system.

The third point I would like to focus my remarks on is that, as you have heard here today, we feel like it is absolutely necessary to increase the levels of federal transportation funding. And needless to say, that requires, in our estimation, a spend down of the trust funds that are being held as you so eloquently stated at the beginning of this session today, Mr. Chairman.

That is essentially the focal point of my remarks, and the information I would like to give you. I am free to answer any questions you may have.

The CHAIRMAN. Let me throw this out. If a federal program were established, and I hate to use the term, but let us call it an infrastructure block grant, let us assume some of the money were distributed by a formula that we developed, what would you think of the remainder of the funds going out according to a benefit/cost formula, with the better projects getting preferential treatment? What problems do you see in this approach?

Mr. ARNOLD OLIVER. I will address that from the highway standpoint, Mr. Chairman.

I think it is evident through any procedure that you use that highways are a very cost-effective means of transportation. Now, when you talk about total infrastructure, I think one of the things you have to consider are a number of other factors, including the means of financing that particular portion. Traditionally, highways in this country have always enjoyed the benefit of the dedicated gasoline tax which, as cost-effective as it is, has not been at the level to allow us to address all the needs we have. So highways would stack up very good in that.

However, I think it is becoming more and more evident in this country that we cannot address the transportation needs in this country by adding more lanes. There evidently is a point beyond which we cannot adequately take care of our needs by just building more highways. At that point you have to consider the different methods of financing both public transportation, highways, rail and the others.

So in answer to your question, I think that, in terms of your question about a portion of it being based on cost effectiveness, I believe that cost effectiveness should be the prime consideration, but there are other factors that have to be taken into account.

The CHAIRMAN. Would you like to answer this first question before I go on?

Mr. JIM OLIVER. Not being that involved in federal funding, I would have to agree with Mr. Oliver. If it is a fair cost/benefit ratio, I think that would be a good way to distribute those funds.

Mr. MOCEK. I would just like to add that I would love to see money of the programs of the federal government subjected to the same rigorous benefit/cost analysis process that our Corps of Engineers projects are subject to. I think most folks really—most of the public really do not realize the depth and detail of the economic analysis that we put into our projects before we get to the point of recommending them to the Congress for implementation.

Beyond that, I do see some difficulties in dealing with different sorts of public works concepts under an equitable benefit/cost analysis. In many ways, it is difficult enough to analyze the benefits and costs of different water resources purposes such as flood control and water supply. You put those into other sorts of public works issues that have different social values that are difficult to measure economically, I could see a great deal of difficulty in an equitable benefit/cost analysis for setting priorities.

The CHAIRMAN. Would you like to ask some questions?

Mr. GEREN. Thank you, Mr. Chairman.

I want to thank all three of you for making the time to testify today. Certainly appreciate it. It is helpful to all of us. I would like to start with a question to the Corps and to Mr. J. Oliver regarding the flood control efforts that you do have underway here.

As a result of a long and dedicated work the Corps and the Tarrant County Water Improvement District over the last 40–50 years, our areas was spared much of the devastation that we would have suffered this last spring and the preceding spring. You all have done an admirable job of controlling these unprecedented amounts of water, and you do have studies underway right now that you talked about, to try to prepare us for future improvements.

Are there any other areas that are not being addressed right now? And I know the Corps and the Water Board do work together and do a good job of coordinating what each of you does. Do you feel that the studies that you currently have funds and that are currently underway are going to address the problems that are on the horizon, or do you think there is more that Congress should be doing right now to make sure that we can continue to move forward in our efforts to control the flood waters that you all have to deal with every year, or every so often, anyway?

Mr. MOCEK. Well, I feel, in the Upper Trinity River Basin, in the Fort Worth/Dallas metroplex, the cost-shared Upper Trinity study that we have embarked upon and are getting ready to start the feasibility phase gives us an adequate tool to address the needs of the region, particularly with the level of cooperation that we have gotten with other entities of government.

We have, I think, a wonderful opportunity to address the needs and to come up with viable solutions to many of those needs. That, coupled with the study that I mentioned that was authorized this June by the Senate Public Works and Environment Committee to address the needs of the middle and lower portions of the basin, I think, gives us a good opportunity to find out what really is needed in this area and what is to be done.

In addition to our studies, I would like to mention also that under the umbrella of the Council of Governments the cities and counties have embarked on an effort here in this region to address the increasing runoff that accompanies the development that we have had and that we will continue to have, and that is a very significant issue in flood protection planning; to be able to not only accommodate the sorts of floods that happen today with today's level of development, but what is going to happen in the future when we have even more parking lots and more roof tops and more streets contributing to the runoff, and how should that be addressed, whether it be through some sort of development control mechanisms or through some sort of structural or nonstructural projects once that development does occur.

Mr. GEREN. Thank you.

Jim, would you like to add to that at all?

Mr. JIM OLIVER. Yes. I totally agree with Mike. We started our study some years, a few years back, a reconnaissance study of the Fort Worth Floodway, and at that time we were really advocating a large metropolitan study to look at the whole urban areas, the Dallas/Fort Worth metroplex. And the fact that all of these studies have now gone from little piecemeal studies rolled into one big urban package, I think is really going to be a plus for this area, because what we do up here in Fort Worth impacts Dallas and below, because all that water—the headwaters of Trinity are up in our area, within our District area, and that all flows through Fort Worth and down through Dallas and down to the Gulf.

So to answer your question, the study that we have now I do not see any improvements necessary. I think it is going to address all the issues that we have been concerned about.

Mr. GEREN. Well, that is good to hear. I appreciate that.

Arnold, I would like to ask you a question. We have spent a good part of this year looking at the costs that we foresaw for the challenge of meeting our country's aviation needs, and decided even if Congress and the administration were to be sufficiently wise to release the funds in the trust fund, which we have all been frustrated with, and no closer to resolution now, I am afraid, than we were when all this began, this debate began, that even if those were released that there is still not adequate money in the system to meet the needs of our burgeoning aviation transportation system.

We have seen study after study on the other areas of transportation, highway being one. We had a study done by the American General Contractors that showed that 5 percent of our rural highways are deficient. It went into the bridges. Eleven percent of our urban highways are deficient. Statistics do not look at local roads.

Do you believe that within our current system that we have mechanisms in place that are going to provide adequate funds to meet the needs of our highway transportation system? I know the state is looking at that as well right now. But do you consider the resources available on the federal level—do we have mechanisms in place to meet those needs, or are we going to have to locate additional funding sources or step up the current funding sources if we are going to meet the needs of our highway system?

Mr. **Arnold Oliver**. I think eventually that there will have to be additional resources. Of course, the problem that you point out, in my estimation, only focuses on the fact that we need to spend everything we have got available to us right now, which puts more emphasis on freeing up all the monies that have already been collected to do these highway projects.

Another factor that enters into that will be determined greatly by the form and shape of the new authorization bill. If, as AASHTO and the Federal Highway Administration has proposed, if you go to a system of national significance where you identify a system within the United States, which would comprise somewhere around 140,000 to 146,000 miles, and you determine that this system is what the federal government needs to focus on, and if you spend federal dollars primarily on that system, then you have limited your federal needs to a size that could be handled quite nicely, I think, by the current tax structure, realizing that inflation will eventually eat away whatever you put in place at this particular time.

I think it is important note that nationally only about 30 percent of the highway funds come from the federal government. Most states spend about 70 percent of their own local tax dollars on their own systems. So the majority of funding does not come at this time from the federal government.

I do think that the system will eventually have to be increased to provide the level of service. The Chairman has in both hearings today pointed out the fact that the infrastructure spending in this country has decreased over the years by a consideration amount. So if you go back to a point some time in the past and try to bring the system up in terms of constant dollars to that, you are certainly looking at an increase in the taxable funds.

Now, the other side of that coin is, and this relates to the previous question somewhat that the Chairman asked about cost effectiveness. The people in this country, because of the user fee concept of gasoline taxes, have already been more than willing to tax themselves for highways, because they knew that the money that was being collected would go directly back into the highway system to benefit them. They could see where the money was going.

And for this reason, we feel that if the current deliberations of Congress result in a gasoline tax for merely the purpose of deficit reduction, that that trust with the public will be broken, and that the user fee concept will be not looked upon as highly regarded in this country in the years ahead that it has been in the past. So we definitely discourage that also.

But in terms of the other transportation modes, as I said previously, highways have been very fortunate in that they have had this dedicated revenue. The reason it has been so popular is because people can see where it is going. It is obvious that for rail or for public transportation that the user fee concept will not work, because the cost/benefit ratio is just not there.

So looking at multi-modal type transportation, you have to look very careful at the means of financing each one of those and to be sure that you have trust from the public that each one is receiving its fair share and that funds are not being diverted from one area to another simply to finance a problem that is not cost effective.

Mr. Geren. Thank you. I appreciate your comments and I will tell you, I could not agree with you more about the concept of user fees. It is so difficult to ensure that we make the kind of investments that are necessary in our infrastructure when those dollars are competing with other, oh, I guess, projects that have more sex appeal, for want of a better word. In the long term, there is nothing more important for the health of this country than making those investments, and I would oppose any effort to break that compact we currently have with the public. I guess that battered compact when you consider how we have handled our trust funds recently, but at least we have maintained the appearances of maintaining it, which I hope we can get back to actually using the money as it was intended, and I certainly would oppose any effort to divert user fees away from our transportation system. I hope they are not successful.

Mr. Arnold Oliver. I think in a very real sense of the word by withholding trust fund dollars, we are currently using gasoline tax dollars to offset the federal deficit.

Mr. Geren. No doubt about that, and that is why I referred to it as a battered compact, and that is a change we have got to make and we cannot let ourselves go any further down that road by coming up with some other plan to temporarily divert those fees to some other area of government, because I have a feeling that that temporary diversion would become permanent and our infrastructure would suffer, our productivity would suffer, our jobs would suffer, and it will start a spiral that we cannot afford.

I just want to thank everyone of you for being here. I appreciate your patients. We are running a little late, and appreciate your being here all day long. And, Arnold, thank you for being in Victoria and then being in Fort Worth.

Mr. Arnold Oliver. My pleasure.

Mr. Geren. Jim and Mike, thank you all very much also for being here.

The Chairman. You are not quite through, Arnold. I have got something else.

I want to congratulate the statement, Arnold, that you and Pete just talked about here on this—you just said, where they were talking about using the trust fund monies to pay the deficit. I would hope that you could rally some good, consistent support in Texas for this position you have because every so often we run into just the opposite in other parts of the country. We have had several congressmen produce bills who put in 25-cent a gallon tax to go 100 percent into the trust fund, and there is no relation between the deficit we have and driving an automobile or a truck. I mean, they are not the ones that caused the deficit.

I remember I had one of the guys, who I liked very much, in California about a month ago put in a 25-cent tax, and he was thinking of actually going higher, but he wants to get rid of the deficit, and I do, too. I do not want to do it by way of taxing the people who drive their cars and particularly, I feel so many people who drive their cars are people going to and from work, and they are really not the ones who caused this deficit. So I just want to get that message out.

I have one last thing I wanted to say and you almost touched on it a moment ago there. In calculating what Texas receives under the 80 percent minimum allocation program, we factor in the discretionary and the demonstration funds into that.

Do you think we would be better off excluding those funds from the calculation so that should Texas merit getting any demonstration and discretionary funds it would be over and above your 80 percent funds?

Now, other than the status quo, which reduces your 80 percent apportionment by the amount of discretionary highway monies that you may bet. I mean, there is a little confusion there in my mind and I just wanted, from an expert point of view, you could maybe tell us a little more about that.

Mr. **Arnold Oliver**. Mr. Chairman, in my view, the answer to that question is no.

The **Chairman**. No.

Mr. **Arnold Oliver**. Number one, we would like to see the end to all demonstration projects, period. The discretionary funds have resulted in skewing of the allocations to various states, depending upon certain situations that existed at the time. We think that the move should be toward a formula system, as I stated before, that looks at each state in terms of the vehicle miles traveled, the lane miles in the system and possibly fuel usage, and simplify those formulas, give us back the money on those apportionments that we send up there, forget about demonstration projects. We will take our money and decide what we would like to spend our tax dollars on within our own area and jurisdiction.

The **Chairman**. Thank you very much.

Mr. **Geren**. Can I make one other comment?

The **Chairman**. Go ahead.

Mr. **Geren**. I just want to point out the leadership the Chairman is offering on this subject of using our user fees for something other than transportation. You notice he referred to the congressman from California that proposed taking 25 percent and using it for other than highways. He said, I used to like him very much. [Laughter.]

That is leadership, Mr. Chairman.

Chairman. A little bias there to expose.

Well, thank you very much.

I think we are ready for our final panel, if they are here. This panel consists of: The Honorable Bill Flippo, Mayor, City of Saginaw; Honorable James Herring, Mayor, city of White Settlement; Mr. Greg Dickens, Director of Public Works, City of North Richland Hills; and Mr. Ron Haynes, Director of Public Works, City of Hurst.

Mayor Flippo, please begin.

[The prepared statement of Mr. Arnold Oliver appears on p. 964.]

[The prepared statement of Mr. James Oliver appears on p. 969.]

STATEMENT OF BILL FLIPPO, MAYOR, CITY OF SAGINAW; JAMES HERRING, MAYOR, CITY OF WHITE SETTLEMENT; GREG DICKENS, DIRECTOR OF PUBLIC WORKS, CITY OF NORTH RICHLAND HILLS; AND RON HAYNES, DIRECTOR OF PUBLIC WORKS, CITY OF HURST

Mr. FLIPPO. Thank you, Mr. Chairman. Good afternoon to you and members of the committee and our Congressman, Pete Geren. Thank you very much for being here with us today, and I will try to be brief because of the lateness of the day.

I represent the folks that are the nuts and bolts of what we talked about today. We talked about the big picture, and my folks make up that big picture, and I would like to comment upon how the infrastructure needs affect my people and what our needs are. And, of course, all of these are a part of the big picture.

I think we are a typical small town, and I think there are folks like us all over the USA, and you have probably heard our story and you will hear it again, again and again.

We just recently completed a capital improvement study and our needs and all, I will prioritize those as we prioritized those, and our biggest need is drainage, and that was especially pointed up in the flooding that we had this spring and last spring, and that is because of age of our infrastructure for drainage, and also because of undersizing. Back in time it probably wasn't prepared for the development that we have had and that we are having and it is affecting the development that we are trying to have and trying to get. So that is our biggest problem, and it is probably three times in magnitude our second priority, which is our street systems.

Their problem is because of age and also carrying capacity, and we do everything we can to extend the life of those streets, because when I ask my folks for a dollar, they expect to get a dollar's worth out of what we do. So we certainly try to do that.

The third priority, as has been talked earlier, are our sewers, and to us these are a time bomb, and I think they really are over the entire nation. Most of the materials that we have in the ground, as we have problems and dig those up, we find that the sewer gas is eating the top out of those and they eventually crumble, so we do not know where the next time bomb will hit or the magnitude of it. I really think that is representative of probably the entire nation.

And then, of course, our water infrastructure, because of the age, the problems that we have there. We average—we are just a small town, as I mentioned. We average a water main blowout a week probably because of age and size and capacity that we are trying to serve now.

Also, our public building infrastructure, because of growth, probably none of our buildings are adequate and probably our hottest issue in that area right now, because of quality of life, is libraries. I have caught more heat over our library system than I think anything else this year.

Now, we personally are trying to attack these as we can with bond issues and, of course, operating funds, and we try to do that as we think our people can absorb the cost.

We are also tangling with another issue. It is a good issue for us, and it may be repeated and maybe it is being repeated now across the nation because of perestroika and maybe because of peace dividend, we are looking at probably some federal property becoming surplus because of a lack of need that we are glad to put back into private sector. But with that we have the problem of the infrastructure. We do not have any control over federal structures, and so the infrastructure there either does not exist or it is probably not to our standards, so we have some problems there. But we think it is a good problem, because we are putting it back into the private sector and we are working with the Corps of Engineers for that.

I would like to issue some accolades to usually a much maligned organization. The Corps of Engineers have been a pleasant surprise to work with. We have worked with competent, good, caring people, and I certainly want to bring that to your attention that we have nothing but good to say about the Corps of Engineers. I certainly want to thank them.

That is just a brief, little synopsis of how my folks see infrastructure. We are in a part of Tarrant County that is probably as fast-growing as any part. We are probably 10 miles south of Alliance Airport. We are two miles south of the new Federal Mint. And if Masushita ever makes up their mind and settles in Tarrant County, I believe within a mile of our town.

And so we are growing and developing, and it is placing great demands on our infrastructure. We are trying to keep pace, and I certainly would not attempt to try to tell you anything to do for us or any other small cities other than remember that we are probably all about the same and have the same needs, and anything you can do on a national policy-wise would help us and help development and help our quality of life.

Thank you so much.

The CHAIRMAN. Mayor Herring.

Mr. HERRING. Thank you, Mr. Chairman. I appreciate the opportunity of being here today and thank you very much and your committee for coming down here and allowing us the time to speak with you.

I will pretty well echo the same things that Bill said. My main emphasis that I would like to get across to you today is concerning flood control. And as you heard from the last panel, we have a considerable problem within this north Texas region on flood control. I think primarily because years before we began good planning processes we had new people that came in to settle in our communities did not perceive that growth would eventually happen in this area, and adequate facilities were not made available at that time or simply monies were not available to get them to the capacity that they need to be today.

This past year and the year before in my city of White Settlement we experienced extensive flood problems. We are working with the Corps of Engineers. They have done a study, a reconnaissance study already and are in the process of a feasibility study.

We feel that our need is faster and greater than the Corps of Engineers can move, even though the plans that they have come up with are good plans and adequate plans. We are looking for additional funds to help us control the flood situation. Ours does not appear to be a situation we can control with structural installations. It is more of a buyout situation, and we are committed on our own to go ahead and doing some buyout to eliminate immediate flood problems on those structures that get hit every time that we get a large rain.

I would like to address just a little bit the questions coming up about some of the feasibility studies that—the cost/benefit studies that are made. We have faced a problem with this in some of the preliminary discussions we have had thus far that it seems to us to be that those areas of low income people are—I will say lower-middle income people—cannot benefit from the formula that is used in this cost/benefit study.

If our homes that are in question were more valuable homes, there seems to be no question as to the fact that they could be simply bought out, people relocated and no problems. However, the situation in our area is that we have got either low income or lower income structures, say $40,000 to $50,000 value range, and it seems that the farmer works against those time periods that these type structures just need to be picked up and moved, and we are talking about structures that are quite hold. Some of them 40 years old or maybe 50 years old that we do not feel like lend themselves to being moved. And in the process of doing a moving like this, we run into zoning ordinances that are in effect throughout the city that pretty well jeopardize the integrity of some of our zoning laws.

We would like to encourage your committee to look into problems like that. Congressmen Geren is aware of some of the problems we have faced here. And it may be that we come up with a reasonable solution after some of the feasibility studies are done, but at the present time it looks like we are kind of up against a little bit of a rock wall here.

I would like to encourage the committee's involvement also, as was mentioned earlier by Mayor Bob Bolen and some others, that in the process of bringing monies back to the cities, the revenue sharing seemed to be one of the most economical ways of getting that money back to the local entities.

Particularly in the case of White Settlement, we were able to use always that money from its inception to the very end of it only for those special projects that we could not find monies otherwise for. None of this went into the operating budgets of the city. It was simply to do projects for the betterment of life or for pollution control or infrastructure buildup, both flood control, roads, public buildings, things of this nature. And we feel that is a very effective way of getting that money back. And with the guidelines that were set on it before, it pretty well restricts the community from being able to just squander that money on things that really tax monies ought to be taking care of. We would encourage you to push for that effort.

As Mayor Bob Bolen said, we may not see that in our lifetime. I would like to see it in our lifetime. I am not quite as old as Bob was, so in my lifetime I really would like to see it back again, and the sooner the better. I think we all make good use of that.

I will conclude with that as far as my comments. Again, I thank you very much for allowing us to be heard.

The CHAIRMAN. Mr. Dickens.

Mr. DICKENS. Chairman Anderson, Congressman Pete Geren and other committee Members, thank you for allowing North Richland Hills for testifying before you this evening concerning what these Tarrant County infrastructure needs, and I will speak mainly to transportation since that seems to be one of the main issues out in northeast Tarrant County in North Richland Hills.

We are the third largest city in Tarrant County and have several critical needs. Our number one need is the Interstate Highway Loop 820—State Highway 21, State Highway 26 interchange—which has initially been funded in right-of-way acquisitions ongoing by the Highway Department. We would stress that continual funding of this project until its completion is vitally important to mobility in our city and the northeast Tarrant County area.

Our number two need is the widening of Interstate Highway Loop 820 through the northeast Tarrant County area. This would need to be completed at the same time the Interchange is completed to enhance the interchange operation and relieve current everyday traffic congestion that we experience at this particular interchange.

We also have a great need now and in the future for a major thoroughfare, major north/south thoroughfare, which is Precinct Line Road which would go from State Highway 26 north to Farm to Market Road 1938. It is to be improved to a minimum, or we would like to see it improved to a minimum of five lane thoroughfare width. This would provide a critical north/south lane to relieve congestion which currently in on Farm to Market 1938 and State Highway 26. It will help mobility north and south through North Richland Hills from Loop 820 to Keller and the areas north of North Richland Hills up near, I think, 114.

Additionally, we are in great need of completing the last crosstown lane to Watauga Road from Farm to Market 1938 to Precinct Line Road under the partially federal-funded PASS program. Currently, that is being administered by the state, and we are working with the Highway Department on that. Watauga Road will interconnect with existing major thoroughfares in our adjacent cities on both the west and east side of North Richland Hills. This will help provide a major thoroughfare across northeast Tarrant County, north of Loop 820 and the Airport Freeway, which is State Highway 183.

I would also add that it is important to us to have Farm to Market Road 1938 improvements completed north and south through our city as soon as possible. This is ongoing with the state at this time.

Of course, completion of all of these transporation projects will be vital to the economic development of North Richland Hills and the northeast Tarrant County area and all the surrounding cities.

As Mayor Flippo spoke, we do have other infrastructure needs. Drainage is one of those concerns that we do have. We got hit hard the last couple of years as well from the heavy, intense rainfall. Anything that the federal government can do to assist the cities with their drainage needs here in Tarrant County and the surrounding area would be greatly appreciated.

I think the main thrust of my presentation today would be transportation, because of our location and the fact that the transportation needs are so costly for the size that need to be improved to.

We would also like to say we are very pleased with the cooperation with the State Highway Department and the federal government in everything that has gone forward to date. And I think that is about all I have to say.

Thank you. Appreciate you letting me appear today.

The CHAIRMAN. Mr. Haynes.

Mr. HAYNES. Thank you. Chairman Anderson, Congressman Geren, other members of the committee, thank you for this opportunity to speak to you today.

I am with the City of Hurst, and I find that our needs are not unique after hearing the others speak. I will try to speak of Hurst and about northeast Tarrant County in general.

As you know, northeast Tarrant County continues to experience rapid growth and thus, it requires more and more attention to improve transportation and drainage and other infrastructure facilities. In recent years, the Highway Department and the federal government has seen the needs for our growing area and they have responded admirably with funding for intersection improvements, widening of key roadways and some signal coordination work.

Also, at this time the Highway Department is preparing plans to prepare the interchange at 820, 121 and Highway 26, the widening of the Airport Freeway and the principal arterial street system or the PASS program. I would like to address a few of these projects.

The interchange program is of primary importance. We experience some very congestion there during peak traffic hours and, in fact, the highest traffic volumes in Tarrant County are experienced through that interchange. A very important program for Hurst, North Richland Hills and the northeast Tarrant County area. We continue to experience traffic congestion there. This project was proposed for advertisement in May of 1993, and it is sorely needed.

Precinct Line Road is another project. It is currently a two-lane, unimproved roadway north of Grapevine Highway. It's in Hurst, North Richland Hills and Colleyville is the portion that needs to be improved. The Highway Department is proposing to widen that roadway. And although traffic volumes are relatively low at this time, they are around in the 9,000 vehicle per day range, it is predicted by the year 2000 they will more than triple to 30,000 vehicles per day. And I understand that the Highway Department is proceeding with this project for January of 1992.

Another area of concern is Highway 10, the Cities of Hurst, Euless and Bedford have a strategic development plan for Highway 10, to redevelop that area. We see this as a vital area for redevelopment. It has long suffered from neglect. The improvement of Highway 10, we feel like, will do much to enhance the development along that roadway and also improve the safety. The section in Euless is underway at this time and the section in Hurst between 820 and Bell Spur is supposed to be under construction in late 1992. Most of the right of way for this improvement is available and we urge the acceleration of this project as much as possible.

A coordinated signal system administered through the Highway Department of fuel overcharge monies is also being implemented at this time along Highway 10. We applaud the efforts of the Highway Department for that program. We feel like it is a very good one. It is also hoped and expected that motorists traveling along DFW Airport will be able to use Highway 10 during the interchange program and also the widening of the Airport Freeway, which I would like to address now.

The Airport Freeway or it is known as State Highway 183, traffic on that freeway has increased from 60,000 vehicles per day in 1975, it is expected to be well over—well, it is over 150,000 today. By the year 2010, it expects to exceed 200,000 vehicles per day.

The Highway Department proposes to widen the freeway between Interstate 820, the interchange that we have talked about, from six lanes to 10 lanes beginning in late 1993. Again, this freeway experiences one of the highest traffic volumes in Tarrant County now, and we feel like it will also in the future.

The last transportation project I would like to discuss is the PASS program. Although Hurst did not receive any funding for the initial phase of this program, we feel like our region stands to gain a lot of economic benefits from the extension of these arterial roadways throughout the region and Tarrant County. We appreciate the support the federal government is giving us with that program.

Hurst is confident that the extension and widening of these roadways, the arterials, will enhance development and improve the roadway safety, and we feel like it will diminish, as the Highway Department does, the increasing traffic volumes on particularly the Airport Freeway and other freeways that they parallel.

I encourage the continued use of the state and federal funds for the PASS program. In addition, we encourage your committee to take the necessary initiatives to help accelerate the projects that I have just mentioned and to continue the federal funding support.

I would also like to mention and commend the efforts of the U.S. Army Corps of Engineers. I think Mayor Herring put it very well. Their staff is top notch in the Fort Worth area. We have worked well with them and the City of Hurst has participated in two drainage channel projects in the recent past. Those being Calloway Branch and Loreen Branch. Both projects drastically reduced flooding along these drainage ways. The program I am speaking of is the Section 205 program, and I feel like it needs to continue and all federal efforts made to finance this beneficial program.

In fact, the homes along these sections of Calloway Branch and Loreen Branch were not even flooded during our past May and last May's flooding. If they did not then, we feel very confident they will not.

We greatly appreciate the financial support of the federal government. Without their help, we would not have been able to fund these projects or we would have had to severely reduce the scope of the project.

I would also like to mention the Community Development Block Grant programs for water, sewage, street improvements. I encourage the continuation and full funding of those programs. They have been very beneficial in areas of not only Hurst, but other cities as you have heard. We have primarily used them for water and sewer improvements in low income areas.

In closing, I would like to commend Chairman Anderson, Congressman Geren, Congressman Hayes and the rest of the committee for initiating this forum today. As a representative of the city of Hurst, I appreciate the opportunity to express my concerns.

The CHAIRMAN. Thank you very much, and I will start off with a question.

If we create a new federal infrastructure block grant program, do you see any problems in allocating part of the funds to, in effect, the highest bidder where some of the federal funds go to those willing to put up the highest local match?

Do you have any thoughts on that, because there has been this in the past and there has been some suggestion again that if we get people to put a higher bid up, let us give it to them because that would be less than we have to put up, or more that they will be putting in?

Mr. HERRING. I would have a little bit of a problem with that in respect to some very small communities. I know in our current Community Development Block Grant program, and let me preface this by saying that White Settlement has always come out well in the CDBG program, but there are some small communities that do not yet have the resources to be able to put up a large matching grant, and they are very much in need of these funds to be able to just get them moving.

And I would speak especially of the city of Haslett that is next to Alliance Airport. Here is a small community of I am going to say around 500 people that all of a sudden now has a large airport beside them, and the tax values of the property out there have just run rampant. The citizens are paying far more than they ever, even imagined they would be paying that amount of taxes. They simply do not have the resources to come in and put up a matching grant.

So if a formula were developed like that, I think some consideration would have to be given to allow them still to be competitive, because otherwise they would just totally lose out.

The CHAIRMAN. Pete.

Mr. GEREN. I do not really have any questions. I appreciate each of you participating today and I want to echo the compliments that you have given the Corps. I know all of your cities and our office have worked diligently together with the Corps, and they have been nothing but cooperative, and we appreciate it very much.

I also appreciate the perspective that you bring to this proceeding and that is as leaders and city managers of the smaller towns that have unique problems, that perhaps are not always well represented when only the representatives of the very large urban areas do present their needs. Thank you so much for taking the time to share your thoughts with us and being here today.

I appreciate your patience as well. I know you waited a long time to make this presentation. It will be very helpful to us and as we develop this infrastructure policy, it is just critically important that the small towns do get represented. Too often the small towns share much of the cost of urban growth and urban sprawl, but are not considered as they should as we develop the policies to respond to the demands or the challenge of the growth of urban areas. And as we develop this infrastructure policy for the coming decade and for the coming century, I will look forward to having your continuing input so that we make sure that communities, your communities specifically, but communities such as yours, in general, are well represented.

Mr. Chairman, I would also like to recognize the mayors of the Mr. Dickens's and Mr. Haynes's cities, who are sitting back there on the back row, Mayor Brown and Mayor Sowder. Appreciate their being here today and lending their support and input as we consider many of these important issues.

I do not really have any questions at this time, Mr. Chairman.

The CHAIRMAN. Well, I, too, want to thank this particular panel, because they did wait pretty long. It has been kind of a long day, and we are not even through yet. We are due yet tonight in Georgia somewhere.

Anyway, I want to thank all the witnesses who appeared before us today for their excellent statements. This was a good, productive hearing. The testimony we received will be helpful to us as we work together to form a national infrastructure program.

And, Pete, I want to compliment you for putting together this hearing and your staff for their efforts in helping things to run smoothly. I think with that I will say that the meeting stands adjourned.

Mr. GEREN. Let me make one brief statement.

The CHAIRMAN. Okay.

Mr. GEREN. I would like to extend some thank yous as well. I would be remiss if I did not.

I want to thank you, Mr. Chairman, for being here and giving our community and the leaders of our community a chance for you to hear from them directly about the important needs that we have here. It is a great demonstration of your commitment as a public servant to this country that you have made the time to come to Fort Worth, Texas, and listen to all of these concerns and spend your day with us. We thank you, and I want to speak on behalf of all the panelists in telling you how much we appreciate it.

I do want to thank the staff that has worked so hard to put this together, and my staff as well. This is the result of many, many hours of work, and I hope that everybody feels that it has been productive. I know that I have learned a great deal today, and we will be carrying the ideas expressed today, both in written and oral testimony, back to Washington and I am hopeful, as we develop what is going to be a comprehensive approach to the infrastructure needs for this country, that we will continue to have dialogue with each and every one of you so that what we do makes sense. Sometimes Washington thinks we know more than you know, and that is just flat wrong. So I look forward to continuing to work with you.

I want to thank the City of Fort Worth for offering us these quarters today, and they were just so accommodating.

The CHAIRMAN. They are great.

Mr. GEREN. They worked with us in every way to set this up, and I express particular appreciation to David Ivory, the city manager, and Mayor Bolen, the mayor of Fort Worth, for their help with that.

Again, thank all of you for being here. Thank you for your patience, and thank you for your input, and I look forward to continuing to work with you over the coming months and perhaps over the coming years. Thank you very much for being here.

The CHAIRMAN. Thank you, Pete, and thank you, everyone.

The committee stands adjourned.

[Whereupon, at 5:30 p.m., the committee was adjourned.]

TARRANT COUNTY
100 East Weatherford
Fort Worth, Texas 76196

DIONNE BAGSBY
COUNTY COMMISSIONER
PRECINCT NO. 1

FUTURE INFRASTRUCTURE NEEDS OF TARRANT COUNTY

PUBLIC TRANSPORTATION

URBAN DEVELOPMENT & TRANSPORTATION

Urban transportation will be a major issue for all levels of government during the upcoming decades. Urban development influences and, in turn, is influenced by the transportation system. The Dallas/Ft. Worth metropolitan area is served by an excellent freeway system provided by the State Department of Highways and Public Transportation during the past two decades. The system has encouraged the development of predominantly single family residential land use throughout the county and has allowed the dispersion of major job centers throughout the region.

Tarrant County is unique in that it has different densities of urban development which it must contend with on a governmental level concerning public transportation.

PRESENT PUBLIC TRANSPORTATION IN TARRANT COUNTY

There are cities throughout our county that are far removed from the boundaries of Ft. Worth; i.e. Saginaw, Crowley, Hurst, Euless, Bedford, Benbrook Haslet, Arlington. Ft. Worth singled out since it is the only city in Tarrant County with a public transportation system. The city is served by the Ft. Worth Transportation Authority which is supported by a 1/2 cent sales tax. This is unlike DART in Dallas County which serves multi-jurisdictions. Arlington is served by DART in it's Handitran program of public transportation for the elderly & handicapped.

PUBLIC TRANSPORTATION & ECONOMIC DEVELOPMENT

The lack of county wide public transportation adversely affects economic development in the outlying areas of Tarrant County since employers will tend to choose a location accessible to a large number of the working populace. Economic development which is taking place in the Mid-Cities area and in Arlington is not accessible to many residents of the Western part of the county.

Experience tells us the Federal government will not help fund public transportation in areas without at least a one percent sales tax base dedicated to public transportation. Recent reports of North Central Texas Council on Governments show that FWTA has not applied for federal money knowing they will be passed over for assistance due to their base of 1/2 cent. They know they cannot compete for federal monies with Houston, Dallas and Los Angeles. So that future expansion of this transit authority is not even in the planning stages.

It is time funds are dedicated to public transportation projects which address existing needs of suburban populace regardless of the tax base of the transit authority. The sales tax is regressive. This type tax is a burden on those who can least afford it. The lower the income level the more a family will spend on taxable goods. But these families are the ones who need a public transportation system the most.

PUBLIC HOUSING & PUBLIC TRANSPORTATION

Tarrant County has public housing in many of it's suburban cities. These cities do not have public transportation of any kind. If those that occupy this type of housing are not fortunate residents of Arlington or the Mid-Cities area where most of the jobs are these days they most likely are not able to find work close to home. Their employment needs are not being met due to a lack of transportation. The cost of personal travel has increased not only from the price of oil and automobiles but from the increased distance traveled to the work place. In Tarrant County the average trip length to the work place has increased from 8.92 miles in 1980 to 9.21 in 1990 and is estimated to increase to 9.64 miles in the year 2000.

Additionally, the United Way studies show that the number one problem of lower income families in Tarrant County is transportation. Respectively, the Texas Department of Human Services (TDHS) studies show that the number one barrier to the services they provide is transportation. In Tarrant County TDHS serves 20,368 households per month for food stamps, 7,876 households per month for AFDC, and for SSI, it serves 9,252 households per month.

These studies reiterate the need for federal assistance in public transportation.

TESTIMONY BEFORE THE
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
ON NATIONAL INFRASTRUCTURE

ORIS W. DUNHAM, JR.

(Note: Remarks must be limited to 5 minutes, with 45 minutes available to address questions from the Committee)

- I am here today to discuss the importance of national infrastructure. As the Executive Director of Dallas-Fort Worth International Airport, I truly recognize that airports are not the only mode of transportation that must be supported through expansion of our nation's infrastructure.

- As all of you are aware, capacity of our nation's airport's is of vital concern. Many of the larger airports are experiencing delays that are unacceptable, and will only become worse in the future.

- As the second busiest airport in the world, DFW is fortunate to have one of the lowest delay figures for a large hub airport in the country.

- However, our projections indicate that activity will double at DFW over the next twenty years. In order to accommodate our increase in activity and keep delays and costs to an acceptable level, we have a $3.5 billion expansion plan that includes:
    - Two new air carrier runways that will allow DFW Airport to accommodate triple and quadruple approaches under Instrument weather (IFR) conditions.
    - American Airlines $1.2 billion terminal complex with 66 gates

- The infrastructure to support the expansion is not just these runways and terminals; it is other infrastructure such as:
    - New control towers, navaids, and airspace procedures to support the runways and the triple and quad approaches
    - Highways and light rail to provide access to the airport
    - Roadways and additional parking on the airport
    - These improvements are necessary to maintain a high level of service for the traveling public

- We need a balanced approach to infrastructure improvements:
    - Airspace improvements are needed to support the airfield (runway) improvements.
    - Mass transit and highways are needed to support the terminal development.

- Without a balanced approach and concurrent development, the ability to handle the increased traffic and the travelling public will be reduced.

- In order to fund these improvements, I strongly support the implementation of the Passenger Facilitation Charge (PFC); it is a vital and reasonable way to finance projects and is a way for users to participate in the expansion of airports. I believe PFC is critical for airport expansion and is way to fully use the aviation trust fund.

- But it is not just airport expansion this nation needs; a total transportation network of infrastructure is necessary to solve the nation's capacity problems; we cannot solve the problems with one component because they all interact.

- We could build all the improvements necessary at DFW Airport in order to meet our expected demand and have the greatest airport in the world; however DFW could not function if there are not improvements at other airports. And I mean infrastructure improvements at the other airports; the runways, the highways, the rail access.

- So although I am the Executive Director for DFW Airport and support the necessary growth and expansion at airports throughout the nation, I recognize and strongly support the much needed improvements to all areas of transportation industry.

- Thank you for your attention and I am available to address and answer any questions you may have.

KGK:0415

FUTURE INFRASTRUCTURE NEEDS OF TARRANT COUNTY

HIGHWAYS, ROADS & BRIDGES

Commissioner J.D. Johnson
Tarrant County Precinct 4

COUNTY AREAS OF RESPONSIBILITY : PRESENT & FUTURE NEEDS

The state constitution and statutes empower the county commissioners court to provide for the construction and maintenance of all roads and bridges which are not part of the state highway system or within the limits of incorporated municipalities. The county budget provides for this through the individual precincts in the Road & Bridge Fund and county wide in the Lateral Road Fund **(Total FY1990 18.2 million)**. Transportation in Tarrant County is therefore based more on the dollars available in this Fund than on total needs and strategic priority.

Tarrant County has 465 miles of roadway which it must maintain. To bring these roads up to standards set by the American Public Works-Association would cost the county approximately $4 million. This figure is just maintenance it does not include construction of new roads or any type of bridge work.

An example of the county not being able to meet strategic needs is the existence of 4 bridges which need major repair or reconstruction. One such bridge at Indian Creek needs to be replaced and /or raised which will entail road reconstruction as well. The work on this bridge does not qualify for monies under the Federal Bridge Program. This infrastructure type of improvement will cost the county over $300,000. Since this project does not qualify for federal money the county cannot make the needed improvement until money is available or until their is some type of catastrophe. The three other bridges , Village Creek which needs to be replaced will also cost the county $300,000; with the widening and repair of the other 2 bridges bringing the total cost up to as high as $1.5 million.

Drainage is another major infrastructure component which is of major importance to Tarrant County. As you may know the Trinity River is the responsibility of the Trinity River Authority and the Water District. But Tarrant County has several large lakes with major creek tributaries which can cause many problems. I can attest to this since two of these lakes, Lake Worth and Eagle Mountain are in my commissioners precinct.

As these areas surrounding the lakes are developed both by private businesses and single family residences there is increasing cost to the county in the upkeep of roads due to increased travel as well as having to upgrade road standards involving drainage. The residential areas are not inclined to roads with three foot "bar ditches" on either side. The county now must construct roads with underground drainage facilities which increases costs three fold.

Another drainage problem which occurs with increased urbanization of the incorporated areas of the county is the increased instance of the dumping of garbage and brush in creek beds and drainage ditches. These creeks have to continually be cleaned and often widened to alleviate the possibility of flooding during times of heavy rainfall. Many of these creeks also need levees built.

There is no federal funding for such drainage projects even though they are mainly a necessity of flood prevention. A program for Drainage Control and Flood Prevention would be very helpful even if it just provided matching funds--to my knowledge there is no such program.

These roadways in the unincorporated areas of Tarrant County are very important to the overall road network within the county. They provide the skeletal system for the urban network when development occurs. It is a necessity to keep them maintained and improved for higher traffic volumes and speeds to provide a smoother transition from rural to urban facilities. In order to do this the county needs increased funding on the state as well as the federal level. The county is not able to meet present needs let alone set goals for the future development of a county arterial network.

The federal government should provide the funds necessary to improve local drainage systems especially in flood prone areas thus offsetting the high cost of national flood insurance.

Likewise, federal funds should be provided to improve local arterial and feeder thoroughfares thus taking pressure off the federal and state highway systems. Expansion of these systems is always costly due to high "right-of-way" costs and traffic flow disruption due to construction.

TESTIMONY TO

THE COMMITTEE
ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES
AUGUST [illegible], 1990

I am Ralph W. Mason, Jr., President of the Fort worth Metropolitan Black Chamber of Commerce. My comments today will reflect my concern for the proper relationship between infrastructure development and human capital development.

As an analogy I consider infrastructure development and human capital development working in much the same way that the muscle and the skeletal systems of the body work. Muscles get their strength and flexibility from the skeletal system. Without bones muscles simply would not work.

Well likewise in America if the infrastructure of Cities is not taken care of the muscle of the society (the workers) does not function.

While we often focus on building and street decay, the truth is that the human capital of the city decays before the street does.

In the past when the muscle of our society the work force became weak we had ways to exercise it. Our industrial expansion and wars helped stretch and pull the work force.

Anyone who had studied the work projects of the 30's that build our highways, libraries and bridges knows that they were designed to put people to work, as much as they were to build and infrastructure.

My point is that infrastructure development must keep the people in mind.

From the Black Chamber's perspective Public Works projects should stimulate the development of Enterprise zones in impoverished areas.

Our central cities represent a sink hole, not only in terms of streets and bridges, but also in terms of human lives. The paradox of the central city is that it decays while their is seemingly great economic development occurring.

The North Texas Commission (NTC) reported 448,000 jobs were lost in the metroplex by companies employee 100 or more. The good news was that 542,000 new jobs were created by businesses employees less than 100. They concluded that the overall dominant source of new employment for the overall metroplex was the formation of new businesses.

The problem is that a vast majority of the business starts under 100 employees were not in the central city. This means employment opportunities in the central city were actually decreasing as jobs move away.

The statistic that scares me is that during the years of the depression unemployment ran at approximately 17%. Today in our central city areas unemployment for the last 5 years has been at 20%. and for particular segments of our society such as black males between 18 and 25 can be as high as 25%.

Leading economists, such as William Wilson have concluded that the struggle for economic development will be the leading fight for minorities for the 1990's. The growth of manufacturing, retail and wholesale trade in the suburban areas, the flight of affluent families to the suburbs and the decline of the central tax base have made it increasingly more difficult to stimulate growth .

My point is what good is it to have well constructed roads if people cannot ride them to work. What good is it to build bridges between the central cities and the suburbs if there is no mass transit to move people to jobs.

The Kerner Commission report following the riots in 1960 pinpointed that the primary cause to the decay of the inner cities was that the people living there could not pay for decent housing. The landlords therefore could not maintain their buildings or build new ones. The cities could not maintain the areas due to lack of resources.

There is a need in central cities to stabilize housing. HUD reports over 6,000 homes are abandoned in the Fort Worth area. Home ownership brings a stabilizing force to the community. People who own homes take an interest in the community. They commit themselves because they have a stake in the community.

What is it then that I want to see from any attempt to rebuild our communities.

1. Rebuilding efforts should focus on projects in economically deprived areas such as enterprise zones where historically unemployed and underemployed people can gain new skills.
2. Contractors working on projects should have goals and/or incentives for hiring and training the underemployed and unemployed.
3. Contractors working on projects should have goals and/or incentives for utilizing minority and women owned supplies and professional services.

4. Rebuilding efforts should focus on private home development to help stabilize neighborhood.

5. Rebuilding efforts should include incentives for attracting businesses to economically deprived areas in order that once the building is completed there will be jobs for those that live in the area.

6. Rebuilding efforts should include incentives to local governments for mass transit plans that are designed to moved workers to areas that offer opportunities for jobs.

The six points that I have outlined constitute the concept of not just building a skeleton, but making sure that the muscles of our society the people can exercise its self back to good health.

I heard mentioned the question of who should pay for it. I support Major Bolen's position that property taxes in the city have gone up, also general sales tax increases have hurt low-income citizen. I propose an increased taxation on high-income individuals. The current in income tax system is not progress at the higher income levels. That should be corrected.

Fort Worth
Hispanic H Chamber of Commerce

August 7, 1990

Report to Congressional Hearing concerning Tarrant County, Texas, Infrastructure

From: Mr. Frank Gomez, Chairman of the Fort Worth Hispanic Chamber of Commerce
Mr. Jerome H. Mosman, Executive Director, Fort Worth Hispanic Chamber

The Fort Worth Hispanic Chamber was founded in 1973 and presently has a membership of 300 small businesses and 17 corporate sponsors. We thank you for the invitation to share this information.

Concerning the extension of Highway 360 South of Arlington to Highway 287, there seems to be lack of priority for this important link that will serve the new Superconducting Super Collider in Ellis County.

Concerning mass transportation, there needs to be an area plan to link up the major economic development centers of Fort Worth and Arlington with D/FW Airport, Dallas, Denton, and the SSC with rapid transit such as monorails.

Concerning the economic impact of D/FW Airport and Carswell Air Force Base, it is significant, but they have consistently failed to meet their Federal guidelines for involving Minority Businesses. The major difficulties for minority businesses is the large size of the contracts and the strict bonding requirements. We recommend two thing: (1) Breakdown large projects and contracts into smaller units; (2) create a Federal Bonding Pool or relax bonding requirements for minority businesses.

Concerning HUD's Community Development Block Grant Funds, we have administered an economic development program for small, minority, or woman-owned businesses for ten years. Recently HUD has begun to actively discourage economic development programs that retain jobs and create jobs for low and moderate income persons. Their method is to require impossible documentation, such as, (1) to claim job retention, you must prove the businesses filed bankruptcy or has been operating in the red for years, and they must supply legal or IRS documents; (2) to claim job creation, the business must require each new employee to submit a self-certification of the number in the family and the income of each person in the household before they took this new job. Since 80% of small businesses fail in the first 5 years and since the collapse of a business in a depressed area has a greater negative impact as other businesses will probably not locate there, let it suffice for job retention that a business be in its first five years or be located in a depressed area. And since there are types of jobs normally held by low and moderate income persons, let it suffice for job creation that these new jobs are the type that are normally held by low and moderate income persons with requiring confidential disclosures or invading the privacy of new employees.

Concerning area pollution, we recommend that the federal government actively encourage the use of Natural Gas by Public Transportation Companies and Trucking Companies and School Districts and anyone using a large number of trucks, buses, or other vehicles. Some federal incentives or tax credits or awards presentations would be appropriate.

Suite 300 North Fort Worth Bank Bldg. Fort Worth, TX 76106 (817) 625-5411

TESTIMONY BEFORE
THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

by

MR. ARNOLD W. OLIVER, P.E.
ENGINEER-DIRECTOR
TEXAS STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

Fort Worth, Texas
August 8, 1990

Good afternoon, Mr. Chairman. Once again, I want to thank you, Congressman Geren, and the other members of your committee for the support you have provided for Texas highways and bridges over the years. With your help, we have built one of our nation's foremost highway systems.

I want to thank the Committee for giving Texans an opportunity to talk with you again this afternoon about our infrastructure accomplishments and our needs. I'm here today to highlight the highway and bridge issues that we believe are particularly important to Texas.

Texas today has a population of about 16 million people. We expect to reach a population of about 20 million during the next decade. Until 1940, we were a predominantly rural state--about 80 percent of our people lived in rural areas. Today, however, that picture has reversed. About 80 percent of all Texans are urban residents. That means that we are about 5 percent more urbanized than the national average.

To serve this expanding population base we have the largest highway system in the country--about 305,000 miles of highways. We have about 14 million registered vehicles--almost 1 vehicle for every Texan. Our highways carry about 150 billion vehicle miles of traffic annually.

We have as many miles of farm-to-market roads--about 43,000 miles--as there are miles of interstate highways in the nation. We also have more bridges--about 46,500--than any other state in the country. Too many of those bridges--particularly those on local roadways--have deteriorated or are obsolete. We are concerned about the increased costs to our businesses from lengthy detours around these bridges. But we are perhaps more concerned about the increased risks our children and our sick families and friends face when our school buses and our emergency vehicles have to take these same detours.

During the past several years, we have made travel on Texas highways safer than ever before. In 1970, 5.2 people died for every 100 million miles driven in Texas. In 1989, that rate had fallen by 60 percent, to 2.1 people for every 100 million miles. We have been pleased to note the Federal Highway Administration's increased emphasis on safety in developing its highway reauthorization proposal to the Congress. We agree with FHWA that the safety aspects of highway decisions must be timely and appropriate, and must be fully integrated into the project development process.

The increasing urbanization of Texas demonstrates the "national imperative" of Texas highways, and why federal assistance must continue. That assistance must reach out beyond today's Interstate highways. Texans must also receive a fairer return on their federal highway user fee dollar. Today, Texas receives almost a billion dollars a year in federal highway funding, which represents about 80 percent of our federal user fee payments into the Highway Trust Fund and only about a third of the department's annual budget. And our total funding from all sources--state and federal--will cover about 60% of our identified highway needs.

We agree with the American Association of State Highway and

Transportation Officials (AASHTO) that the first federal priority should be to preserve the highway system we now have. To replace our 77,000 mile state-maintained network would take more than $100 billion. We can't afford to start from scratch.

To better enable Texas to meet the challenges facing us, we must have a simpler, more flexible federal program structure. The underlying responsibilities of the federal government for national defense, interstate and international commerce, and the safety and mobility of our people must shape the federal role in transportation. However, federal involvement should support, not inhibit, the unique creativity and expertise that marks each of our states. Federal "red tape" should not keep our roads and bridges from being upgraded.

In this light, we join with the American Association of State Highway and Transportation Officials in recommending a two-part program structure--a "categorical" or "focused" program and a "flexible" program--for both highways and public transportation. This two-part structure would continue to address national needs, but would also allow states the flexibility to determine and address local needs. This plan would allow our highly competent state highway agencies the flexibility necessary to determine the best use of limited resources to preserve and expand our national and local transportation infrastructure.

There are many other issues affecting highways and bridges in Texas which need to be discussed. We believe that those that we have raised today are the major issues of concern to the more urban areas of Texas.

In conclusion, I want once again to thank the Committee for the opportunity to appear. Thank you.

My name is James M. Oliver. I am General Manager of Tarrant County Water Control and Improvement District Number One. Our organization was created in 1924 in response to a devastating flood in 1922 that inundated Fort Worth. Since then, the role of the District has increased to include supply of raw water to thirty customers throughout ten counties in North Central Texas. The District owns and operates four major water supply reservoirs as well as operates and maintains the Fort Worth Floodway which is a system of levees and flood control structures along the West and Clear Forks of the Trinity River.

For the past two consecutive springs, the District's water supply reservoirs and the Fort Worth floodway have been hit by flood events brought on by record rainfall for this region. In both 1989 and 1990 average annual rainfall totals (approximately 32 inches) were reached throughout North Texas by June.

The District's four reservoirs were all designed as water supply reservoirs. Each has only a small amount of usable temporary flood storage capacity. The District owns all real estate beneath the reservoirs. However, the District owns only a flood flowage easement above the design elevation of the lakes. This provides for a small amount of usable temporary flood storage capacity. Inasmuch as the District owns only an easement above the design elevations of these reservoirs, property owners have been able to construct homes and other improvements in these flood flowage easements.

The development around the reservoirs located northwest of Fort Worth on the West Fork of the Trinity River experienced considerable damage as a result of these recent flood events. Also, flooding occurred along the Fort Worth Floodway as well. Residences located in several sump areas along the Floodway were flooded due to high flows in the river which prevented water that collected in the sumps to flow into the river. These sumps were designed for only a fifty year flood event. Development in the adjacent urban areas has decreased the level of sump protection due to the loss of valley storage. Increased volumes of water now moves more quickly into the sump areas. When the river stage is above the water level in the sumps, water cannot flow out of the sumps.

The area between the terminus of the Fort Worth Floodway and the Dallas Floodway experienced heavy flooding as well. This area has never been channelized or protected.

The two consecutive years of serious flooding in the Upper Trinity River Basin have accentuated the need for additional flood control planning for the region. The Fort Worth District of the U.S. Army Corps of Engineers has recently completed a Reconnaissance Study that identified several structural and non-structural alternatives that would alleviate flooding problems in the Upper Trinity River Basin.

The recommended alternatives, several of which impact our District's existing flood control and water supply structures, will receive further study in a Feasibility Study to be initiated by the Corps of Engineers in September. This five year $7.5 million study will evaluate these proposed alternatives. The study will investigate potential levee improvements along the Fort Worth Floodway as well as evaluate the performance of sump areas and their impact on interior drainage. Finally, the study will evaluate a potential flood control reservoir on the West Fork of the Trinity River between our District's Bridgeport and Eagle Mountain Reservoirs near the City of Boyd.

If built, the Boyd detention structure will serve to store flood flows on the West Fork of the Trinity River. The structure will have no water supply function. However, there would be a water quality improvement because the flood control structure will trap sediments that would normally contribute to the siltation of downstream reservoirs. Water supply releases from Lake Bridgeport would be allowed to pass through to Eagle Mountain Lake.

The flood control storage provided by a Boyd detention structure would assist in the storing of flood waters and the timing of flood releases from reservoirs throughout the Upper trinity River Basin as well as help protect the District's Bridgeport and Eagle Mountain Lakes from flooding. Also, the Corps' Feasibility Study could recommend a structural alternative such as Boyd in lieu of other possible downstream improvements and extensions of the existing floodway.

The Feasibility Study is scheduled to commence in September. Should this study recommend structural alternatives within the operational area of the District, the District would consider serving as a local sponsor of any program pursued by the Fort Worth District of the U.S. Army Corps of Engineers. Thank you for the opportunity to speak before you today.

STATEMENT

Before the Committee on Public Works and Transportation
U.S. House of Representatives

August 7, 1990
Fort Worth, Texas

by:

HERSHEL PAYNE
BOARD OF DIRECTORS
TEXAS HIGH-SPEED RAIL AUTHORITY

Chairman Anderson, members of the Committee, I thank you for the opportunity to appear before your committee on the subject of high-speed rail transportation. As a member of the Board of Directors of the Texas High-Speed Rail Authority, the state agency with responsibility for evaluation of high-speed rail project applications, I would like to speak on the role the federal government can have in promoting this new transportation mode.

I would first like to explain the work of our agency. The Authority was created by the Texas Legislature in 1989, and the majority of the appointments to our board of directors were made by the fall of 1989, while my appointment was made official early this year. We have been in active operation since April, 1990. In late June of this year, we solicited letters of intent from groups wishing to apply for a franchise to design, construct, operate and finance a high-speed rail facility in Texas. Our application process will proceed with an issuance of a Request for Proposals for applications this fall; applications will be accepted in early 1991, and a decision will be made on franchise applications by May or June of 1991.

The franchise will be fully funded from private sources; there is no state funding provided for this project. Our agency has powers of eminent domain which can be used on behalf of a franchisee, but all costs of the project will be borne by the private sector. Despite the absence of subsidy, two consortia, composed of American and international firms representing French and German rail systems respectively, are very interested in placing a system in Texas. Texas' topography in the region between the state's most populous urban areas is ideal for a high-speed rail system. The existing and projected patterns in air and highway traffic, coupled with the population projections for the near future, indicate that high-speed rail transportation could serve as a complementary mode to move people and goods in Texas. These and other reasons have attracted serious inquiries from internationally respected corporations which seem eager to invest in this project. Given that a Texas high-speed rail facility will be a private venture, it will be up to the applicants to decide which cities will be served in their application, and what technology they will use to offer these services.

The applicants' decision on technology will be left to market considerations, since the financing will be purely private. The timing of their decision may preclude consideration of U.S. maglev technology, a matter of concern to those members of Congress currently interested in federal legislation to promote a domestic maglev industry. While our statutory franchise process may inhibit the application of U.S.-based maglev technology, please be assured that our invitation for high-speed rail project applications is completely open to any groups willing to propose construction of a maglev system in Texas.

In my opinion, the current discussions about the relative merits of rail-based and maglev systems overstates the importance of rolling stock in the decision to proceed with high-speed rail projects. Rolling stock costs account for a fraction of the overall costs of a high-speed rail project. The majority of the costs of a high-speed rail facility are in engineering and fixed system costs. These services and products will be provided for the consortia in Texas by local suppliers, contractors, and engineering firms to a large extent. The majority of the jobs created--both in construction and operations--benefit Texans.

Texas is also interested in the potential for licensees to manufacture rolling stock in our state. Given our fast application process, we hope to have an operational high-speed rail system by the end of the decade. Texas could then be poised to become a magnet for high-speed rail ancillary operations, which create jobs for our citizens. We must not forget that any kind of high-speed rail system, regardless of the technology of the rolling stock, has significant economic benefits to our citizens.

A high-speed rail facility would not only bring economic benefits in the creation of jobs; the addition of high-speed rail increases the capacity of the total intercity passenger transportation system, providing economic benefits to the travelling public. Current delays and congestion in the air and on our highways have discrete, definable economic costs. High-speed rail can meet some of the increasing travel demands of Texans into the next century, and diminish the overall societal costs of passenger transportation.

Congress has a major task looming ahead in 1991: the reauthorization of the federal-aid highway program. As the nation approaches the end of the Interstate era, the federal government is faced with an opportunity to redefine its role in how it assists states in highway construction and maintenance. The growing problems of highway congestion, limited rights of way for highway expansion, and increasing pressure to limit automobile-related air pollution also lead to the reconsideration of the importance of public transportation providers in the federal program for surface transportation.

As you can see, the consideration of highway reauthorization bills will involve evaluation of the effects of such legislation on other transportation modes. For this reason, I applaud Transportation Secretary Samuel Skinner's efforts to develop a national transportation policy. Such a policy recognizes the interconnectivity of all modes of transportation. In this regard, high-speed rail can be an important additional asset in the nation's total passenger transportation system. High-speed rail is not intended to supplant commercial aviation any more than light rail transit systems are designed to replace all highways: they're all part of a transportation *system*. High-speed rail is an essential element in a national strategy to promote intercity passenger transportation during the coming century.

Our state agency is charged with responding to critical transportation needs of the present, by comparing the costs and values of existing technology versus emerging technology.

Our state does not wish to be an experimental proving ground for any technology; we want a successful operating system which can meet the critical transportation needs of today, and support itself in the process. How then can the federal government help high-speed rail transportation in Texas and throughout the nation?

1. Continue development of national maglev industry. The plans outlined in the recent U.S. Army Corps of Engineers report on the National Maglev Initiative propose an ambitious but judicious approach to maglev development in the U.S. The development of U.S. maglev systems can benefit Texas in that there may be intercity corridors which could be efficiently served by maglev systems. Maglev and high-speed rail should be considered as complementary, not competing, technologies.

2. Provide direction in interagency cooperation, particularly in joint right of way use. The recent maglev feasibility report of the Federal Railroad Administration makes no cost estimates on right of way acquisition for maglev systems, assuming that states would provide right of way at little or no cost as an inducement for construction of a high-speed rail system. Even if Texas planned to offer existing right of way for high-speed rail projects (no plans exist), we would need greater cooperation between the Federal Highway Administration and FRA on any joint use arrangements. Recent statements from officials with the American Association of State Highway and Transportation Officials indicate that highway officials have serious concerns about joint use of right of way. That issue must be resolved, and should be done at the federal level. The resolution of the matter benefits all high-speed rail technologies, so long as the issue is approached in such a way that both technologies are accommodated.

3. Provide financial mechanisms which promote all types of high-speed rail. Rep. Walgren's H.R. 4515 limits availability of loan guarantees to high-speed rail systems completely made in the United States. Other high-speed rail legislation also seems directed solely at maglev system development. We would hope that whatever form of financial incentives are provided, that they will be available to all high-speed rail technologies.

4. Improve tax-exempt financing. This is one major area in which benefits could accrue to both types of high-speed technology. Our agency has no authority to issue tax-exempt bonds for a Texas high-speed rail system. Even though there are incentives for using tax-exempt bonds for high-speed rail, the stifling ceilings on private activity bonds currently in effect limit the benefits of those incentives. This means that a state agency, if it had tax-exempt financing authority, would have to push aside other private activity issues in the state, which have substantial merit on their own, during the period of project construction. If the federal government is interested in high-speed rail, then it could provide avenues for tax-exempt financing which do not require high-speed rail projects to compete for artificially scarce private activity bond resources.

5. Treat High-Speed Rail differently than other rail transportation. Despite rail deregulation, the FRA retains an important role in regulating rail passenger safety. We appreciate the ground-breaking work being done by the Florida High-Speed Rail Commission and the FRA in developing rail-based high-speed safety and operating standards. The progress being made is due in large part to the wholehearted endorsement of high-speed rail by FRA Administrator Gilbert Carmichael. We applaud these efforts and encourage the federal response to its legitimate safety responsibilities to recognize that high-speed rail transportation is fundamentally distinct from existing rail passenger service. The operational characteristics of high-speed rail transportation dictate that high-speed rail should not be governed by a set of regulations intended for slower, older trains.

In summary, we commend this subcommittee for your interest in high-speed rail transportation. I encourage you to take actions to develop federal high-speed rail policies which benefit all high-speed rail technologies. We feel that high-speed rail technology, such as may be proposed in Texas, represents a significant step forward in passenger transportation from a consumer standpoint. A successful franchisee will be offering transportation consumers a completely new choice, something no one in this country can provide now. Rail-based high-speed technology is misappropriately named as existing technology by many--we must remember that nothing like it exists in this hemisphere.

Our board is committed to seeing that Texas is the first state to implement ground passenger service in excess of 150 miles per hour, should our review of the applications we expect prove that a franchise is in the public convenience and necessity. We look to the federal government to join us in facilitating this project.

Statement of Terry Ryan

FORTWORTH CHAMBER

The Impact of Infrastructure on the Nation's Productivity, Economic Growth and Competitiveness

If you think back 200 years, rivers, lakes and seaports determined our commerce centers and lines of distribution. One hundred years ago it was railroads. Today it's airports and highways.

Infrastructure investments have historically vitally contributed to our nation's economic growth and well-being. Recent economic research has tied the level of public infrastructure spending, federal, state and local, to the productivity growth rate in the private sector. However, during the last 20 years our public works have been shortchanged. Total public spending on infrastructure has dropped from 3.6% of GNP in 1960 to 2.6% in 1985. While spending on operations and maintenance has remained a constant share of GNP, capital spending has dropped from 2.3% of GNP in 1960 to 1.1% today. The relative share of public works spending at all levels of government declined from nearly 20% of total expenditures in 1950 to less than 7% in 1984. Many economists feel this underinvestment and slow growth rate of our productivity means trouble ahead as other nations surpass us.

Communities face similar problems. When corporations consider cities for relocation, infrastructure is an important factor. In the new site selection for the U.S. Bureau of Engraving and Printing/ Western Currency Plant, D/FW International Airport played a critical role. The expansion of this airport is the most important economic issue facing the Fort Worth/Dallas area today.

At the same time, Fort Worth Alliance Airport has attracted the American Airlines Maintenance Base to Fort Worth. This industrial airport is expected to draw many corporations to Fort Worth, creating thousands of new jobs for this area.

Accessibility, whether it be through airports or highways, is one of the most important criteria for the location of businesses. For example, the Woodhaven area of Fort Worth, for all practical purposes, was isolated by inaccessibility and was in decline. Opening the highway interchange access with bridges and ramps in the area spurred a resurgence of development which reversed the decline, added jobs and improved the quality of life for the thousands of residents and businesses.

Impacting the future of Fort Worth and Tarrant County are:

- Expansion of the runways at D/FW International Airport.
- Expansion of I-30, I-20, I-35, SH 121 (Airport Freeway), and SH 287 from Dallas/Fort Worth to the Superconducting Super Collider.
- Construction and development of a high-speed rail system within the State of Texas, connecting 5 of the 6 major cities and encompassing the bulk of 17 million people.

Each dollar invested in infrastructure is returned many times over. As taxpayers experience an increase in net taxes paid, they look for a "return on their investment". Spending on infrastructure, as it creates jobs and services, provides a high yield on that investment. It promotes the work ethic rather than handout programs.

In order to remain competitive in the world economy, we must constantly invest in our productive capacity as a nation and community by continuing to improve infrastructure demands. Delaying these expenditures only means paying a higher price in the future.

Statement of Jack Sasser

GOOD AFTERNOON -

AS YOU PROBABLY ARE AWARE, THE FEDERAL AVIATION ADMINISTRATION LOOKS AT AVIATION ON A SYSTEM-WIDE BASIS. THAT IS TO SAY, WE CONSIDER THE AIRSPACE SYSTEM, OUR SYSTEM OF AIRPORTS, NAVIGATIONAL AIDS, SECURITY, AIRCRAFT, AIRMEN, AND ANYTHING ELSE HAVING TO DO WITH AERONAUTICS.

THE NATIONAL SYSTEM IS DEPENDENT ON AN INTERRELATED STATE, REGIONAL, AND LOCAL SYSTEM. IT IS COMPRISED OF MANY SMALLER SYSTEMS ALL FITTING TOGETHER IN

CONCERT TO FORM A TOTAL NATIONAL SYSTEM. IN THE DALLAS/FORT WORTH METROPLEX, OUR SYSTEM REVOLVES AROUND THE DALLAS/FORT WORTH INTERNATIONAL AIRPORT. TO A LARGE EXTENT, EVEN THE ECONOMIC SYSTEM OF THIS AREA REVOLVES AROUND THIS AIRPORT.

OUR CURRENT PLAN FOR THE DFW AREA IS CALLED "THE METROPLEX PLAN" WITHIN THE FEDERAL AVIATION ADMINISTRATION. THIS PLAN INVOLVES NOT ONLY THE LOCAL SYSTEM BUT THE IMPACT OF ALL OF THE OTHER

MAJOR SYSTEMS THROUGHOUT THE COUNTRY. ANYTHING THAT AFFECTS DFW AFFECTS THE NATIONAL SYSTEM. FOR EXAMPLE, IF WE HAVE BAD WEATHER AT DFW INTERNATIONAL AIRPORT, FOR A PERIOD OF ABOUT 6 HOURS ON ANY GIVEN DAY, AFTER THE COMPLETION OF ONE NEW RUNWAY AND WITH AN ANTICIPATED 13% INCREASE IN TRAFFIC, DELAYS ACROSS THE NATION WILL INCREASE BY 16%. THIS IS A VERY SIGNIFICANT PIECE OF THE TOTAL PICTURE. THE METROPLEX PLAN WAS DEVELOPED BY THE FAA SOUTHWEST REGION IN 1987 IN AN ATTEMPT TO DEAL WITH

CAPACITY INCREASES NECESSARY TO ACCOMMODATE AERONAUTICAL ACTIVITY IN THE TWENTY-FIRST CENTURY (2010). IT HAS BEEN REVISED AND EXPANDED SEVERAL TIMES SINCE THEN. CURRENTLY SOME OF THE COMPONENTS OF THE METROPLEX PLAN INCLUDE:

1. RELOCATION OF THE FOUR CORNERPOST NAVIGATIONAL AIDS (VORTAC'S).
2. INSTALLATION OF TWO ADDITIONAL NAVAIDS. (VORTAC'S TO SERVE ONLY DFW.)

3. CONSTRUCTION OF TWO ADDITIONAL ATCT'S AT DFW.

4. SIGNIFICANT EXPANSION OF THE EXISTING TERMINAL RADAR APPROACH CONTROL FACILITY. (TRACON/60,000 SQ. FT.)

5. INSTALLATION AND UPGRADE OF THE EXISTING RADAR SYSTEM TO INCLUDE A TOTAL OF FOUR RADAR SENSORS. (TWO NEW/ADDITIONAL)

6. EXTENSION OF TWO OF THE EXISTING RUNWAYS.

7. CONSTRUCTION OF TWO NEW RUNWAYS WITH

8. FOUR NEW INSTRUMENT LANDING SYSTEMS AND ASSOCIATED APPROACH LIGHTING SYSTEMS (MALS/RAIL).

OUR METROPLEX PLAN ALSO CONSIDERS ALL OTHER PARTS OF THE AIRSPACE/AIRPORTS SYSTEM FOR A NINE-COUNTY AREA WHICH INCLUDES DALLAS, TARRANT, PARKER, ELLIS, JOHNSON, ROCKWALL, DENTON, COLLIN, AND WISE COUNTIES. THERE ARE 245 AIRPORTS IN THESE NINE COUNTIES OF WHICH 46 ARE OPEN TO THE PUBLIC AND 199 ARE PRIVATELY-

OWNED RESTRICTED USE (199 INCLUDES HELIPORTS AT HOSPITALS). THE OTHER AIR CARRIER AIRPORT IN THIS METROPLEX, DALLAS LOVE FIELD, HAS ALREADY BEGUN REHABILITATION OF ONE RUNWAY AND ANOTHER IS PLANNED. WE ARE IN THE PROCESS OF CONSTRUCTING A REPLACEMENT AIR TRAFFIC CONTROL TOWER AT LOVE FIELD. I'M SURE YOU ARE FAMILIAR WITH THE SATELLITE AIR CARRIER AIRPORT STUDY. THE FIRST PHASE (FEASIBILITY) HAS JUST BEEN COMPLETED BY THE NORTH CENTRAL TEXAS

COUNCIL OF GOVERNMENTS. THE SECOND PHASE, WHICH WOULD INCLUDE SOME SITE SELECTION, IS PLANNED SOON. THE DALLAS/FORT WORTH METROPLEX ALSO INCLUDES TWO VERY UNIQUE TYPES OF FACILITIES:

1. THE GARLAND HELIPORT A NEW FACILITY IS NOW OPEN AND IS A UNIQUE FACILITY FOUND ONLY IN A VERY FEW MAJOR METROPOLITAN AREAS.

2. THE FORT WORTH ALLIANCE AIRPORT WHICH IS UNIQUE UNTO ITSELF IN THAT IT IS

THE FIRST INDUSTRIAL AIRPORT BUILT FROM THE GROUND UP FOR THAT PURPOSE. YOU HAVE READ RECENTLY OF THE ACTIVITY CURRENTLY AT THAT AIRPORT. IT FAR EXCEEDS OUR EXPECTATIONS AND REPRESENTS A NEW CONCEPT FOR ADDED CAPACITY, SYSTEM RELIEF AND ECONOMIC IMPETUS FOR THE METROPLEX, AS WELL AS THE NATION. WE ESTIMATE THE TOTAL AVIATION NEEDS OF THE METROPLEX TO BE 150M EXCLUSIVE OF DFW AND ANY POSSIBLE NEW AIR CARRIER AIRPORT. ASSUMING CONTINUING

LEGISLATION, WE WOULD CONSIDER FEDERAL FUNDING OF APPROXIMATELY 120M.

NOW WE COME TO ADDRESS THE QUESTIONS OF WHAT DO WE NEED TO BE DOING TODAY? WHAT ARE GOING TO BE THE NEEDS THAT WE SHOULD ADDRESS FOR TOMORROW? AND HOW DO WE GET THERE? THESE ARE QUESTIONS THAT THE CRYSTAL BALL GAZERS CONTINUOUSLY ASK.

VERY BRIEFLY, WE NEED:

1. AIRPORT MASTER PLAN UPDATES (CONTINUOUS PLANNING PROCESS/NEW

RUNWAY DEVELOPMENT, ETC.).

2. LAND USE PLANS (LAND SET ASIDE FOR INDUSTRIAL/ECONOMIC BENEFITS).

3. NOISE AND HEIGHT ZONING AND PLANNING.

4. ENVIRONMENTAL ZONING AND PLANNING.

5. PLANNING AND BUILDING OF THE NECESSARY INFRASTRUCTURE/CONSTRUCTION TO SUPPORT NEW DEVELOPMENT (ACCESS ROADS, PUBLIC TRANSPORTATION, HOTELS, AVAILABLE SKILLS IN JOB MARKET, ETC.).

6. COORDINATED OVERALL METROPLEX PLANNING (COORDINATED AMONG ALL INVOLVED ENTITIES).

7. ESTABLISHMENT OF JOINT OVERSIGHT GROUPS (FOR SPECIFIC FUNCTIONS; I.E., ENVIRONMENT, NOISE, HEIGHT, AIRPORT DEVELOPMENT) AND FINALLY, AND

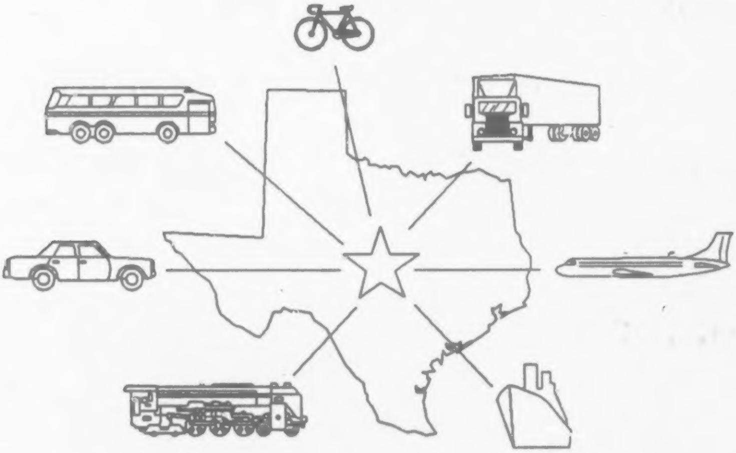
8. MARKETING OF THE DALLAS FORT/WORTH METROPLEX.

THANK YOU.

PRESENTED BY
MR. WM. JACK SASSER
DEPUTY REGIONAL ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
AT
FORT WORTH CITY HALL - PUBLIC HEARING
AUGUST 7, 1990

Submission for the Record by
Arnold W. Oliver, Engineer-Director,
Texas Department of Highways and
Public Transportation

TRANSPORTATION 2020:
THE TEXAS PERSPECTIVE



DEPARTMENT OF HIGHWAYS
AND PUBLIC TRANSPORTATION

APRIL 1990

TRANSPORTATION 2020:

The Texas Perspective

AMERICAN TRANSPORTATION AT THE CROSSROADS

On September 30, 1991, the current federal surface transportation program will expire. Over the next several months, the Congress will have the opportunity to rethink the mission of federal surface transportation programs, and to reshape those programs into new programs for today's needs. New transportation ideas must redirect federal transportation programs to meet the challenges of a rapidly approaching new century. The Congress now faces choices that will guide us for the next several decades.

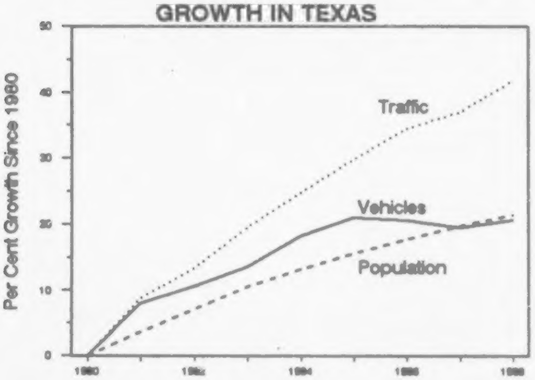
. . . the time has come for a new federal transportation program.

Today, the Interstate Highway System is essentially complete. We have united our nation through the effective movement of people and goods. During the past 35 years, however, Texas and our nation have both changed significantly. We have become more metropolitan, and face new economic and environmental challenges. The new Federal-aid Surface Transportation Assistance Act must support our full participation in the global marketplace.

During the past decade Texas' transportation challenge has become acute. Our population is growing faster than that of the nation as a whole. Approximately 80 percent of Texans live in urban areas, where congestion is already a serious problem. The opening of new bridges and ports of entry with Mexico have brought increased traffic at all border crossings. The growing number of *maquiladoras* (twin plants, one on either side of the Mexican-Texas border) has significantly increased commercial traffic in the Rio Grande Valley. Freight passing through Texas seaports increased by almost 20 percent between 1985 and 1987. We expect that demands on our infrastructure will increase significantly during the next 20 years.

. . . Texas transportation is under increasing demand.

The Texas Perspective


GROWTH IN TEXAS

Our ability to compete effectively in that marketplace is the challenge presented to our surface transportation system. Texas must be able to use all the resources available to it to address our most important transportation needs:

- Preserving our existing system
- Improving mobility through increased capacity and reduced congestion
- Preserving and enhancing safety.

To better enable Texas to meet these challenges, the new Federal-Aid Surface Transportation Assistance Act must:

- **Restructure the federal-state partnership and the current federal-aid program**
- **Revise the formulas through which federal funds are distributed to the states**
- **Increase the levels of federal transportation funding.**

. . . the new federal policies must . . .

The Texas Perspective

THE ADMINISTRATION PROPOSAL

The current federal administration has recommended a fundamental restructuring of the federal transportation program:

- Giving priority to preserving needed transportation infrastructure
- Maintaining a high level of transportation safety
- Increasing the emphasis on integrated state, local, and regional transportation planning
- Ensuring that transportation systems of national significance have the new capacity that is essential to meet critical national needs
- Focusing federal assistance on selected highways of "national significance"
- Shifting to the states an even greater share of the cost burden for building and maintaining the nation's highways and public transportation systems
- Funding transportation improvements through increased user fees, including tolls
- Increasing the rate of expenditure from the Highway Trust Fund
- Increasing state flexibility to design solutions to their transportation problems
- Eliminating federal funding for mass transit operating costs
- Increasing the flexibility in federal financing for other public transportation projects
- Making sound infrastructure management a condition for federal aid.

. . . the administration's proposal -- one approach.

The Texas Perspective

Today, about 70 percent of total funding for both highways and public transportation nationwide comes from state and local governments.

Texas has more highways (more than 306,000 miles of highways, roads, and streets) and more bridges (over 46,500) than any other state. Nearly 14 million registered vehicles travel about 150 billion miles annually over those roads. And they travel more safely than ever before. In 1970, 5.2 people died for every 100,000,000 miles driven in Texas. In 1989, that rate had fallen by 60 percent -- to 2.1 people for every 100,000,000 miles.

The Texas highway system . . . a major investment.

	Texas Today	Texas 2009
Population	17,641,350	21,970,309
Daily Vehicle Miles Traveled	423,000,000	657,000,000
Highway Lane Miles	306,276	396,330
Motor Vehicles Registered	13,621,925	17,183,100
High Occupancy Vehicle Lane Miles	37.1	170.8
Ferry Boats	10	14
Intracoastal Barge Tonnage	72,979,000	86,000,000

Dollars spent on transportation do not take money out of the economy; they bring money in! For every public dollar spent to build and operate the nation's roads and bridges, private firms and individuals spend $15. And highway expenditures may also be the best investment Texas can make to attract industry -- better than reducing taxes.

. . . paying major dividends.

The Texas Perspective

THE FEDERAL ROLE

National defense, interstate and international commerce, and the safety and mobility of our people -- these underlying responsibilities of our federal government should shape the federal role in transportation. However, federal involvement should support, not inhibit, the creativity that marks the uniqueness of each of our states. Current program limits and requirements often prevent the most efficient use of federal dollars. Regardless of funding level, the future federal role in the transportation partnership with the states should be simple and flexible.

. . . beyond national imperatives . . . the federal role should support the states.

HIGHWAYS

Rather than the complex structure of the current federal-aid highway program -- which spreads federal highway funding among more than 35 funding categories -- Texas advocates a simpler federal program structure. We join with the American Association of State Highway and Transportation Officials (AASHTO) in recommending a two-part program structure -- a "categorical" or "focused" program and a "flexible" program -- for both highways and public transportation.

. . . a simple and flexible program.

The Highway System of National Significance (SONS) Program

The basic reasons for federal involvement in transportation demand a national highway system that is limited in size but critical to the economic health and international vitality of Texas and of this nation. A single, new categorical highway program would address the needs of this Highway System of National Significance (SONS).

. . . the SONS must reach new population centers and markets.

The existing 42,800-mile Interstate Highway System would remain the heart of the planned 150,000- to 180,000-mile Highway System of National Significance. However, the SONS must reach out to new population centers and new markets -- to cities like San Angelo, Brownsville, McAllen, and Harlingen. These new economic centers are far from

The Texas Perspective

Interstate routes designated more than 30 years ago. The SONS must also provide safe, efficient highways linking our ports of entry with our major urban centers.

The Highway System of National Significance would extend beyond the Interstate system to include appropriate principal arterial highways. Each state would designate its principal arterial segments to be included in the SONS, following a process established by federal law or regulation. Selection would be based on criteria that reflect national transportation objectives. The U.S. Department of Transportation (USDOT) would review and approve the state-designated segments.

. . . SONS selection criteria are based on national objectives.

About 13,000 miles (8 percent) of a SONS would be in Texas -- all the current 3,300 miles of Interstate highways, plus about 10,000 miles of principal arterials.

We are not suggesting an expansion of the Interstate Highway System. Segments of the SONS beyond the Interstate would not necessarily be built to Interstate standards.

Texas recommends that the actual designation of SONS components should take place after the SONS program is created and its funding levels established. Funding apportionments to a state for its SONS program would be based on statewide factors other than SONS-system mileage. Thus, the SONS would be decoupled from the formula factors and avoid incentives for a particular state to inflate the size of its SONS segments.

. . . state SONS funding not based on state SONS mileage.

The Flexible Highway (FLEX) Program

National interests in transportation extend beyond the Highway System of National Significance, however. Urban and suburban congestion costs us $73 billion each year, including billions of dollars in Texas alone. Texans in small cities and rural communities need safe and efficient access to the SONS. All Americans deserve consistent safety and quality standards on those highway systems supporting the SONS, and smooth connections among the different forms of transportation.

Especially on this supporting highway network, each state and local government should have the flexibility to meet its unique mix of rural and urban transportation needs.

Through the FLEX Program, the federal government should provide funding assistance to the states for rural and urban highway needs beyond the SONS. States should also have the flexibility to use these funds to meet their public transportation needs.

. . . increased flexibility will lead to more effective programs.

This increased flexibility ensures the best use of limited federal resources to preserve and expand our transportation infrastructure. Through the support of the Federal Highway Administration (FHWA) the state highway agencies are now highly competent. These capable state professionals are also closer to their own highway problems than either the Congress or USDOT. They can create more effective solutions, and can balance the use of resources among competing needs more effectively.

Project Selection

The structural changes recommended above should eliminate the need for Congress to use "demonstration projects" to address important transportation needs. For example, gaps in today's complex national transportation assistance structure have required Congress to create projects to provide highway access to air and water ports. Under the structure Texas and AASHTO recommend, these projects could be addressed readily through the SONS Highway Program.

. . . the need for demonstration projects is diminished.

Any other projects of special congressional interest should be authorized by Congress, if at all, only when they meet certain funding and program criteria. Those projects should have:

- High priority in the statewide program of projects
- High priority in the local jurisdiction

- State and local agencies willing to share appropriately in project costs based on expected project benefits.

Any demonstration projects established by the Congress within these criteria should be funded from a state's current apportionment of obligational authority.

Accountability

The new federal-aid highway program should assure the Congress that federal funding improves the performance and capacity of the nation's transportation system. Texas agrees with the administration's National Transportation Policy that sound infrastructure management should be a condition for federal aid. Texas recommends that Congress require each state to prepare and implement four principal transportation management plans:

. . . assurance that funding will improve the system

- A pavement management plan,
- A bridge management plan,
- A safety management plan, and
- A congestion management plan.

Any federal planning process should allow for the diversity among the states. Each state should be able to prepare and implement its plans using criteria appropriate to its particular circumstances. The plans should be dynamic, multi-modal, and strategic in approach, and should be amendable without sanctions. State reports on the implementation of these plans should substitute for other program controls, such as performance measures, to assure the Congress that federal funds are being used to improve the highway system.

Program Funding

Texas agrees with AASHTO's recommendations on the distribution of federal highway funds among programs. First, a sufficient portion of the total federal funds provided for highways should be set aside initially for a modest (not to exceed 2 percent of total highway funding) discretionary bridge program, emergency relief, and federal lands roads program. The remaining funds should be divided equally between the SONS Program and the FLEX Program.

PUBLIC TRANSPORTATION

Neither Texas nor AASHTO seeks major changes in the current structure of federal assistance to public transportation. We support the American Public Transportation Association (APTA) recommendation to expand the types of projects eligible for federal funding assistance through the current formula program. Formula funding should be available for operating assistance to public transportation programs in rural and small urban areas, and for rehabilitation of existing systems and new transit service needs beyond major metropolitan areas. In addition to traditional bus and rail transit projects, formula funding should be available for high-occupancy vehicle (HOV) lanes, traffic signal improvements, capital improvements to commuter rail, and transportation system management efforts targeting ride-sharing and transit.

. . . support AASHTO & APTA recommendations

We agree with AASHTO's recommendation that substantial federal financing for public transportation should continue. Public transportation in Texas would be best served if General Revenue funding continues for "formula" public transportation programs (Urban Mass Transportation Act Sections 9, 16b, and 18). We also believe that funding for the Urban Mass Transit Administration's discretionary program should continue at its present level. Any increase in funding for the federal public transportation program from the Mass Transit Account of the Highway Trust Fund should be distributed by formula. (See below.)

. . . continue funding "formula" public transportation programs from general revenue.

The Texas Perspective

FEDERAL FUND DISTRIBUTION FORMULAS

Consolidating and reshaping federal transportation programs to reflect more effectively our national goals is essential, but not the final answer. The formulas allocating federal program funds to the states were created for another era. Many are based on outdated factors such as land area and rural postal delivery route mileage. Perhaps they were appropriate for Texas and for America in the 1920's. Then, our goal was "getting the farmer out of the mud." Today, one of our challenges is getting a Houston businessman holding an international airline ticket through gridlocked roads to the airport.

. . . present formulas are inequitable.

HIGHWAYS

Texas agrees with AASHTO that, in the shift to a new program structure, no state should experience a reduction in basic federal funding. The new Federal-Aid Surface Transportation Assistance Act should ensure that each state will receive at least as much in total federal highway funding under the new program as it received in fiscal 1991, assuming that all states had completed their Interstate highway systems. This minimum funding threshold would not include any Interstate Completion funding above the one-half percent minimum, or any discretionary or demonstration project funding.

. . . states must be assured of continued and stable program funding levels.

The SONS Program

Texas recommends that a particular state's share of SONS Program funding should be determined using factors that correlate well with those basic national interests served by transportation. This is critical if sound public policy is to guide the states in designating their SONS segments.

. . . national interests must drive allocation of SONS funds.

The Texas Perspective

Texas supports AASHTO's recommendation that the formula for the state-by-state distribution of SONS Program funds use the following factors:

- Total statewide urban and rural lane miles
- Total statewide urban and rural vehicle miles travelled (VMT)
- "Other appropriate factors."

AASHTO did not specify what these "other appropriate factors" should be, or indicate what weight should be given to each of the factors. However, support for interstate commerce, and the national economic benefits that flow from such support, is one of the principal national interests upon which federal support for transportation rests. Texas believes that factors reflecting the intensity of heavy truck travel should have significant weight in the SONS Program allocation formula. Including heavy truck travel as a factor would respond to the major impact trucks have on highway design, construction, and maintenance. It would particularly help compensate several western states for the heavy wear and tear on their roadways which serve as a "bridge" for truck traffic between other states.

We believe that diesel fuel consumption is the best available indicator of commercial or heavy truck travel. Diesel consumption data are consistently collected and relatively accurate. Therefore, Texas recommends that diesel fuel consumption be accepted as the "other appropriate factor" in the SONS Program allocation formula.

. . . distribution of SONS funds must be equitable and effective.

The Texas Perspective

Each of these factors should be assigned a weight in the SONS Program allocation formula so that available funds will be distributed equitably and effectively. The formula should:

- Provide states with the federal funding to meet future transportation challenges without sudden disruptions in their current programs
- Ensure that Texans receive a fair return on their transportation investment. For many years, Texans have received significantly less than $1 in federal transportation funding returned to the state for every $1 in transportation taxes and user fees they paid to the federal government.

Texas proposes an allocation system which would distribute SONS Programs funds:

- Two-ninths based on total statewide rural lane miles and vehicle-miles travelled (VMT)
- Four-ninths based on total statewide urban lane miles and VMT
- Three-ninths based on total statewide diesel fuel consumption.

To ensure equity and prevent program disruption, we also recommend three minimum funding level guarantees:

. . . minimum funding levels must be established.

- Each state should receive at least one-half of 1 percent of total SONS apportionments
- Each state should receive a percentage of total SONS apportionments that is at least 85 percent of the percentage of estimated tax payments into the Highway Account of the Highway Trust Fund attributable to highway users of that state
- Each state should receive at least a 25 percent share of any percentage increase in total program size.

The Texas Perspective

To ensure that states with a low population density receive adequate SONS Program funding to address their special problems, Congress should consider providing a "low population density" supplement to the SONS Program allocation formula.

The FLEX Program

While providing critical support to important national mobility needs, the FLEX Program pursues objectives that are predominantly related to the state and local transportation system. Thus, Texas agrees with AASHTO that transfer of funds between states, such as through the allocation formulas suggested for the SONS Program, would be inappropriate in the FLEX Program. A "donor-donee" relationship among states should be avoided. Each state should simply be allocated a *pro rata* share of total FLEX Program funds based upon the share of total federal highway user contributions to the Highway Trust Fund attributable to that state. That is, under the FLEX Program, Texas would receive a 100 percent return on its federal transportation investment.

. . . a donor-donee relationship should be avoided.

To ensure fairness in distributing FLEX Program apportionments, Congress should require each state to allocate a portion of its FLEX Program funds to non-state systems. The portion of FLEX Program funds allocated to those systems, in the aggregate, should initially be no less than the percentage of FY 1991 apportionment of urban funds, secondary funds, and bridge funds made available to non-state systems in that state. Future allocations to non-state systems should hold constant the ratio of a multi-year moving average of aggregate funding to rural non-state systems to a similar average of aggregate funding to urban non-state systems.

The Texas Perspective

Transfer of Funds Between Programs

No formula can completely accommodate all the differing needs among the states. Texas therefore supports AASHTO's recommendation that each state should have the discretion to shift up to 20 percent of a state's total highway allocation (that is, both SONS Program and FLEX Program funds combined) either way between the SONS Program and the FLEX Program. Of course, a state exercising this option should be required to inform FHWA of the transfer.

. . . a shift of up to 20%

Interstate Program Transition

Although we recommend eliminating the Interstate Highway Program as a special program category, we recognize existing federal commitments to that program. For the Highway System of National Significance to function, the Interstate Highway System must be completed. An estimated $3 billion to $5 billion beyond current authorizations will be required to complete the designated Interstate System, including about $130 million in Texas.

. . . to complete the Interstate.

Therefore, we recommend that a transitional Interstate Completion Program be continued as a category separate from the SONS Program. That program would complete those Interstate segments included on the 1989 Interstate Cost Estimate. Approximately $1 billion per year be made available to the states for Interstate completion between 1992 and 1996. These funds should remain available for obligation and expenditure indefinitely.

The Texas Perspective

PUBLIC TRANSPORTATION

Texas recommends that any increase in the public transportation program funding from the Mass Transit Account of the Highway Trust Fund be distributed to state and local governments by a new formula. Any increased funding should be distributed:

. . . equitable distribution of public transportation funds.

- One-half according to the current Section 9 formula, and
- One-half based on that state's relative portion of the nation's population.

The Texas Perspective

INCREASED FEDERAL FUNDING

To remain a leader in the world economy, America must invest the funds necessary to preserve and improve its surface transportation infrastructure. Since 1960, however, the percentage of our GNP invested in our transportation infrastructure from all sources has fallen more than 50 percent. And the share of national infrastructure spending funded by the federal government has dropped more than 25 percent – from 31 percent to 23 percent.

The collapse of several major bridges during the last decade is a grim warning of the consequences of the declining rate of investment in our transportation infrastructure. Highway use has increased dramatically. Traffic has escalated by about 40 percent since 1983; yet in 1990, America will spend less for highway improvements than we did then.

. . . the infrastructure needs are obvious and overwhelming.

Arbitrary limits on the availability of federal funds for obligation have kept almost 40 percent of the user fees in the Highway Trust Fund from being put to work. We must make that money available now to move goods and people. At a minimum, all federal transportation user fees, and the interest they earn, should be put to work immediately to improve transportation.

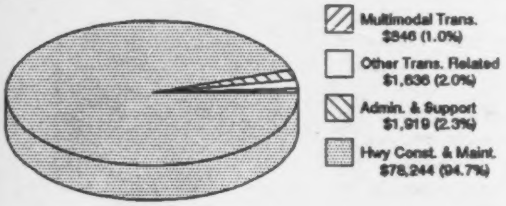
Transportation infrastructure is closely connected to economic vitality. In 1815, when most roads were rutted paths impassable in wet weather, the cost of moving goods 30 miles inland equalled the cost of moving them across the Atlantic. All-weather macadamized roads and other transportation improvements cut those costs by as much as 90 percent.

. . . increased federal funds could make the difference.

The Texas Perspective

Today, our transportation infrastructure is wearing out, and the cost of moving goods to markets threatens our economic competitiveness. Infrastructure investment needs in Texas are staggering: an estimated $82.6 billion (in 1988 dollars) during the next 20 years. These needs are vital to our economic well-being.

Twenty-year Fiscal Requirements in Millions (constant 1988 dollars)



If we assume a cost of operation of 50¢ per mile, it costs $182,000 each year if 200 trucks a day are required to detour five miles around one structurally deficient bridge. If 2,000 cars must also take the detour each day, the cost is an additional $730,000 annually. And today, more than 240,000 of America's 575,000 highway bridges -- 16,000 in Texas alone -- are structurally deficient and should be closed or restricted to light traffic, or are functionally obsolete.

Texas agrees with AASHTO that the level of federal investment in highways and public transportation must be increased. However, we believe that this increase in federal investment should not require an increase in federal highway user fees until four conditions are satisfied:

....no increase in federal user fees now.

- Reaffirm the dedication of the receipts from current and future federal highway taxes and user fees to transportation purposes. We must keep "trust" in the Highway Trust Fund.

The Texas Perspective

- Make the full balance of the Highway Trust Fund (limited only by the anti-deficit provisions of the Byrd Amendment) available to the states for obligation. The U.S. General Accounting Office estimates that highway commitments could be increased by $7.4 billion without violating the Byrd Amendment.

- Repeal the exemption of ethanol-blended gasohol and other alternative fuels from 6¢ of the current 9.1¢ per gallon federal excise tax on gasoline. This "free ride" for certain highway users cost the Highway Trust Fund $650 million in revenue in 1987, and more than $3 billion since 1979. The annual cost to Texas is approximately $28 million in allocated apportionments.

- Improve the effectiveness of collection procedures for the federal motor fuel tax. Despite recent changes in the federal highway tax collection mechanism, the Highway Trust Fund continues to lose hundreds of millions of dollars each year through organized tax evasion and inadequate collection procedures.

Highways

If these steps are taken, federal funding for highways can be increased significantly for the next several years without raising the federal excise tax on motor fuels. Texas endorses AASHTO's recommendation that the federal highway program be increased from its current level -- approximately $13 billion annually -- to approximately $18 billion in fiscal year 1992. At that funding level, Texas would receive approximately $1.3 billion, an increase of about $350 million over FY 1990 funding levels. With AASHTO, we further recommend continued gradual increases to approximately $26 billion in fiscal year 1995. Texas would receive approximately $1.9 billion, an increase of almost $1 billion over FY 1990 funding levels. These increases -- until at least 1994 -- are available without new federal revenues.

. . . all we ask is a reasonable spending level.

The Texas Perspective

Public Transportation

Although Texas recommends that substantial federal financing for public transportation should continue, we do not support APTA's recommendation to increase the federal excise tax on motor fuels to fund public transportation.

The Texas Perspective

MEETING THE CHALLENGE

If the new Federal-Aid Surface Transportation Act implements our recommendations, the State Department of Highways and Public Transportation will:

- Accelerate the development of the Texas Highway Trunk System, interconnecting all of Texas
- Reduce urban congestion through the Principal Arterial Street System
- Manage urban roadways more efficiently through Traffic Management Systems

The Texas Highway Trunk System

The Texas Highway Trunk System will be a rural four-lane divided network connecting all major population centers, major ports of entry, and significant military installations in Texas. The 9,000- to 11,500-mile trunk system will serve all cities with over 20,000 population. Most of that system will probably coincide with Highway System of National Significance. All Texas cities with populations of 10,000 and over will be within 25 miles of the trunk system.

. . . connect all major population and economic centers.

The Texas Highway Trunk System will make Texas highways safer and Texans more mobile. It will increase economic prosperity throughout Texas, and open Texas to increased tourism.

The Principal Arterial Street System

The Principal Arterial Street System is an ongoing program to reduce congestion in large cities. Major thoroughfares and streets that serve and relieve an urban freeway system may be included. We plan to use state revenues to fund two-thirds of the total amount needed for the program. The balance would be federally funded.

The Texas Perspective

Traffic Management Systems

In many urban areas, it is impossible even to add lanes to existing highways. Those areas need Traffic Management Systems to manage the roadways more effectively. Traffic Management Systems will be implemented in the six largest Texas urban areas over the next 10 years. The systems will include surveillance, communication and control systems along freeways, and signal control systems along arterials. These systems are a first step toward Intelligent Vehicle/Highway Systems (IV/HS). Full implementation of Traffic Management Systems will require approximately $41 million a year for construction over the next 10 years.

. . . move more traffic through better management

The Texas Perspective

THE BOTTOM LINE

Today, Americans enjoy the convenience and economic benefits of a transportation system second to none. This system was made possible largely through a long-standing cooperative partnership among federal, state, and local governments.

Today's economic world is more competitive than ever. A safe, high-quality, highly efficient transportation network is needed if our state and nation are to remain competitive. Such a network is essential to the mobility of the American people and to their ability to ship American materials and products. These activities are basic to our quality of life.

Good transportation alone is not the only answer; but it is essential.

Our country now has a choice. We can work and plan our way into a successful future. But we must act quickly to meet the new transportation challenge of tomorrow. We must:

- **Restructure the federal-state partnership and the current federal-aid program.**
- **Revise the formulas through which federal funds are distributed to the states.**
- **Increase the levels of federal transportation funding.**

To keep Texas moving tomorrow, we must set our direction today!

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

WEDNESDAY, AUGUST 8, 1990

House of Representatives,
Committee on Public Works and Transportation,
Atlanta, GA.

The committee met, pursuant to call, at 9:40 a.m., in the City Council Chambers, City Hall, Atlanta, Georgia, Hon. Glenn Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Lewis and Jones.

The Chairman. The meeting of the committee will come to order. I want to say good morning.

The Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. And I want to welcome you here today and thank you for taking time from your busy schedules to share with us your concerns, your knowledge and perspectives about this important issue.

This year, our committee initiated a series of events designed to give us a better understanding about our Nation's infrastructure crisis. At our first event in Washington, we looked at emerging infrastructure needs from a national point of view. Our second and third events focused on the impact of infrastructure on the productivity, the growth and the ability of our country to compete in international markets. Future events will include hearings on infrastructure financing alternatives and new technologies.

It is very important, however, for us to get a good look at the infrastructure problems encountered at the State and local levels. Our meetings today here in Atlanta and this afternoon in Conyers are two of several planned at various sites around the Nation. We want to review infrastructure needs with the people most directly involved and to hear a broad range of ideas that can help resolve the problems.

It is a great pleasure for me to join John Lewis for this hearing, and I would like to thank him and the people of the Fifth District for their generous hospitality. John has, for more than a quarter century, dedicated his life to protecting human rights and shaping what he calls "the beloved community", a world community of peace, justice and brotherhood.

John serves on the Interior and Insular Affairs Committee and is a knowledgeable and effective member of this Public Works Committee, serving on the Subcommittees on Surface Transportation, Public Building and Grounds and Aviation. John is an important figure in American history. As a close associate of Dr. Martin

Luther King, Jr., he has been in the vanguard of leadership for social change since the demonstrations, sit-ins and freedom rides of the 1960s. His commitment to human rights was a part of the effort that eventually led to the passage of the Voting Rights Act of 1965.

John has been effective in supporting legislation to aid the homeless, to improve the Nation's transportation systems and to increase small business opportunities. He was instrumental in pushing legislation to set aside not less than 10 percent of all airport construction contracts for small and disadvantaged businesses and most recently he has authored a study on presenting sewerage overflow in local creeks on the Chattahoochee River.

And John knows that when we talk about infrastructure, we are talking about the real cornerstone of our cities and communities. Though it may not be an exciting subject, it is infrastructure that provides the foundation for a sound economy, it creates jobs and is at the very heart of the standard of living and quality of life that Americans enjoy or aspire to.

From our hearings thus far, we know that not only do many problems exist with our public works facilities, but we have been short-changing our public works investments for more than 20 years. The question we ask today is what about Georgia's infrastructure? How adequate is its network of public facilities—roads, bridges, public buildings, sewers and wastewater treatment facilities, water supply facilities, dams and other public works—to meet current needs?

In addressing this, we should all keep in mind that economic research in recent years has tied the level of public spending on infrastructure to the productivity growth rate in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960s to less than one percent, to .7 percent, in the early 1980s, and during the same period the annual growth rate of investment in infrastructure fell from 4.5 percent to again less than 1 percent, to 0.8 percent.

Now productivity in our country is growing much more slowly than in other developed countries such as Japan, West Germany, Canada, France, Italy and the United Kingdom—some of which incidentally invest on a per capita basis almost five times as much in their public works as does the United States.

Today, we look to you to help us gain further insight into your infrastructure needs—what is the condition of and how adequate is your infrastructure to meet current and anticipated needs of the area?

Who do you think should pay for necessary public works and what financing techniques have you considered? What do you think the Federal role should be? Or the State role? Or the local role? And last, what should our committee be doing to resolve some of these problems?

As we continue our inquiry and debate on how to deal with the current and anticipated needs of our public works, we look forward to your answers and to your questions that you may raise.

Because of the number of witnesses we have scheduled to testify, I ask you to please summarize your statements in two or three minutes. Your written statement will be included in its entirety in the hearing record.

John, would you like to make an opening statement?

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Chairman, let me just take a moment to welcome you to Atlanta, welcome you and the staff from the Public Works and Transportations Committee to Atlanta, to the Fifth District, to the great State of Georgia, to what we call the Capitol of the New South, a city that we hope will become the capitol of the 21st century. Mr. Chairman, I appreciate you taking the time to travel to the Fifth Congressional District of Georgia to learn firsthand of the infrastructure needs and concerns of Georgians.

I would also like to thank each of the witnesses here today who will share their views and recommendations about rebuilding our infrastructure.

Finally I want to welcome everyone here in attendance who has taken time out of their busy schedules to attend this hearing and demonstrate an interest in these important issues.

No community can survive, yet alone thrive, without addressing basic infrastructure needs. The network of public facilities—roads, bridges, airports, rail, mass transit and wastewater facilities—forms the basis of our economy and helps determine the quality of life that we enjoy.

Many studies have shown a direct link between the amount of resources that we commit to the nation's infrastructure and the prosperity of our economy. Atlanta is no exception. Atlanta's history and the tremendous growth of this city over the past 50 years shows us that infrastructure investment in roads and highways, in airports and in rail transportation, went hand in hand with growth.

For Atlanta's continued prosperity, we must continue to address today's infrastructure challenges and needs. We must be committed to using the vast resources of this nation to rebuild America as we move toward the 21st century.

We must repair our roads and bridges. American citizens should not have to tolerate dilapidated highways and bridges.

We should have also an adequate supply of water. Without the necessary water resources, we will not have continued economic development, nor growth.

I welcome this opportunity to hear from our elected and appointed officials and our many community representatives, and I look forward to hearing your testimony today.

Thank you again, Mr. Chairman, and welcome to Atlanta and to the Fifth District.

The CHAIRMAN. Thank you, John.

Our first panel this morning consists of elected officials in the Atlanta area—Mr. Fred Etris, Mayor of Union City; Mr. J. Clark Boddie, Mayor of the City of Palmetto; Mr. Bruce Bannister, Mayor of East Point; Mr. Michael Lomax, Chairman of Fulton County Commission and finally, Mr. Rick Anderson, Executive Officer for Administration and Development for the City of Atlanta. Would you come up and take your places—I hope you are all here. And I think the first one that I will recognize is Mr. Fred Etris, is Mr. Fred Etris here?

Okay, Mr. Lomax, we will recognize you first.

TESTIMONY OF MICHAEL LOMAX, CHAIRMAN, FULTON COUNTY COMMISSION; HON. FRED ETRIS, MAYOR, UNION CITY, GA; RICK ANDERSON, CHIEF FINANCIAL OFFICER, CITY OF ATLANTA, GA

Mr. **Lomax**. Thank you very much, Mr. Chairman and my good friend, our Congressman from the Fifth District, John Lewis.

I want to join in welcoming the committee to Atlanta and in encouraging you in the effort that you are undertaking to gain information from leaders in the public and private sector on the local level with respect to these infrastructure issues.

I have lengthy testimony to provide for you and place into the record, much of which focuses on the actual activities which Fulton County has undertaken over the last decade and projects to undertake over the next decade with respect to infrastructure improvements.

As a major urban government in the State of Georgia, we are completing over one billion dollar capital improvement program much of which has been focused on providing infrastructure that will ensure our ability to maintain the level of growth which has occurred in this community and to meet projected future growth in the 1990s and well into the 21st century.

Unfortunately the efforts that we have undertaken have been undertaken without the significant involvement of the Federal Government, and if I have one plea to leave you with this morning, that would be that the Federal Government rejoin local and State governments as an active partner in addressing infrastructure needs across these United States.

Regrettably, those initiatives which we undertake, are undertaken largely at local encouragement without Federal participation and support. We have had an advantage which other areas across the United States have not had, and that is that we have been able to experience significant growth in its tax base, population, private investment over the last several decades. I shudder to think what our capacity would have been to meet the demands for improved highways, rapid transit, wastewater and water treatment, were it not for the fact that we have a growing and expanding tax base and a dynamic economy. And I think that those local governments across the country where they have not been so blessed have obviously met with a much more difficult time.

I would like to conclude my informal remarks with a comment which I was not certain would be appropriate, but since our Congressman focused on the fact that the availability of water is a major issue for us, nationally as well as locally, I want to underscore that we find ourselves here in metropolitan Atlanta in perhaps one of those Catch-22 situations which is deeply, deeply disturbing to us.

After having made substantial, significant investment over the years in our water treatment and wastewater treatment facilities, Fulton County and the City of Atlanta spending $60 million to construct the largest water treatment plant in the State of Georgia, we are now faced with the prospect of not being able to operate it, not being able to withdraw the water necessary that is flowing through our community to provide drinking water for our community, because the Federal Government has not been as active and involved a partner as it needs to be.

We have a dynamic, growing economy here in metropolitan Atlanta. It is the heartbeat for not just the metro area, but for the entire State and much of the southeastern region. We have water available to us, but because of misunderstanding, miscommunication and lack of coordination with the Federal Government, we now face the prospect of having built the infrastructure but not being able to use it because we cannot withdraw the water and have not been permitted to do so by the Corps of Engineers.

I believe you will be hearing more about this from the Atlanta Regional Commission. It is a matter of grave concern to the future of metropolitan Atlanta and the State of Georgia. It is not always that we are asking you for money with respect to infrastructure, oftentimes what we are asking from you is more communication, better understanding, cooperation and coordination.

I do not think any of us expects to return to those days of yesteryear when we could count upon the Federal Government to come in with 90 cents on every dollar, as we did with respect to the building of our transit system, but I do think that there is a role, a leadership role, a directive role, a coordinating and a cooperative role which the Federal Government can play to assist local governments in meeting our infrastructure responsibilities.

Again, thank you for being here. I have more formal testimony to present and I am delighted to be here and to have an opportunity to speak to you, Mr. Chairman, and to our two fine Congressmen who represent Fulton County; one the southern and central portion, Congressman Lewis and to the north our fine Congressman Ben Jones.

Thank you.

The CHAIRMAN. Well thank you very much. We will hear the others before we get to our questions, so do not go away, there will be some questions probably.

Mayor Etris.

[The prepared statement of Mr. Lomax appears on p. 1136.]

Mr. ETRIS. Honorable Congressmen, Mr. Chairman, it is an honor to be here and I want to begin by saying I endorse Mr. Lomax' statements. He has pointed out the need for the Federal Government to get back with us, and it is something that we all are looking forward to with the tax base and everything, and our structures that we have got in the area, but I look forward to the leadership of Michael and his staff.

But I want to speak something on the small municipal governments. We need as much help—transportation is one of the greatest assets that you can have to bring business and infrastructure into our communities and our small cities like Union City. We have a lot of things—for instance, we have got a connector street that goes from S.R. 14 and 29 highway into our greatest business section, and growing fast in south Fulton County in Union City. But we have to secure a right-of-way to connect downtown where our City Hall and all of our government places are. And this street would mean more to the prosperity, if we could get grants through the County—Michael and the Commissioners have always been very cooperative in helping divide up all of the proceeds that come from grants and other things, but small municipalities cannot grow without we have adequate transportation arteries connecting our businesses all in one point.

It is an honor to be a mayor of a growing city, as Union City is. We started out and now we—our tax base has way over tripled in the last 8 years. It is something, and we pay a lot of taxes, but it takes all of us to realize that we have got to have some more help from our—where our tax base goes to the Federal, the county and the State. We need it in our small municipalities. South Fulton is one of the finest places that we have got in Georgia right now for growth and for prosperity.

I want to thank you all. This public hearing is one of the greatest opportunities that all of our municipalities and our counties can have to express our desires. Thank you.

The CHAIRMAN. Mr. Lomax, I am told you may be in a tough time. We have one more person I would like to hear from, but how soon do you have to leave?

Mr. LOMAX. My Board meets in two minutes across the street. I think though that they normally are a little slow getting started, so if we need to hear from Mr. Rick Anderson and you have some questions, I can manage that.

The CHAIRMAN. Could you do it kind of fast, Mr. Rick Anderson?

Mr. RICK ANDERSON. Yes, sir.

The CHAIRMAN. Good.

Mr. RICK ANDERSON. Thank you, Mr. Chairman. I am actually the Chief Financial Officer of the City, and on behalf of Mayor Maynard Jackson, who is out of town and unable to be with you this morning, I would like to add my welcome to Atlanta, to the committee and thank you for giving us the opportunity to present some of our views on the infrastructure issues and problems.

In Atlanta, we certainly recognize the importance and necessity of cooperative effort with Federal, State and local governments to ensure that cities and counties are equipped to address the needs of their citizens, and we stand ready to do our part.

As financial officer, I am always concerned about the tendency of people to have a narrow focus on infrastructure. The things that have been mentioned already—water and sewer systems, transportation systems—are always thought of as infrastructure, but I advocate a definition of infrastructure which is broader and which includes all the capital facilities through which local government provides its important services to citizens. That includes such obvious things as fire stations, police precincts, detention facilities, and things which are not quite so obvious such as recreation centers, gymnasiums, swimming pools, police and fire training facilities and a whole set of facilities that people rarely if ever think of; vehicle maintenance facilities, sanitation substations, the facilities from which thousands of city employees who maintain and construct infrastructure operate from.

These capital facilities are vital to the provision of our services and in aggregate represent a significant financial requirement which winds up competing with the larger and more basic infrastructure projects for the precious resources available at the local level.

My written testimony will include some detail of some of the problems that Atlanta faces and give you some idea of the magnitude but just to very briefly touch on some of those; in the area of storm drainage, we have identified an estimate $125 million in costs needed to improve storm drainage in the drainage basins that serve the City of Atlanta. We have solid waste management and disposal problems that are very much typical of what you find in the rest of the country. We perhaps have a little more landfill capacity remaining than in many jurisdictions, but the basic needs remain; to minimize waste streams and recover resources from those waste streams.

In the transportation realm, we find that nearly 50 percent of the city maintained bridges are structurally or functionally deficient and in need of remedial work or replacement, and estimate that work to cost $200 million. We need a major upgrade of our traffic control systems. This project would have a great payback in terms of the savings and convenience to the traveling public as well as energy consumption reductions by more efficient movement of traffic. We have many obsolete mechanical traffic control systems which need to be replaced. That is a $40 million magnitude problem over the next ten years. And that is just sort of scratching the surface really of some of our infrastructure needs.

You can see that when we are talking about those magnitude of dollars and they are combined with other capital needs, our ongoing operating requirements and the needs of other jurisdictions which call upon the same tax base that you do, such as the Board of Education and the county government, these needs in aggregate really overwhelm the ability of locally raised revenues.

From my perspective as a city financial officer, I am greatly concerned with changes in the traditional funding of the development of local infrastructure. Much of the existing infrastructure in Atlanta was funded with heavy Federal participation, but today we find our Federal support virtually non-existent. General revenue sharing, which many cities have used for infrastructure improvements has been entirely eliminated. The HUD categorical grant programs of the late 1960s and early 1970s were consolidated in the community development block grant entitlement program, and we found in that consolidation that our funding levels for infrastructures were significantly reduced.

Since the inception of CDBG, our annual entitlement has shrunk from a nominal level of over $18 million to $9 million, superficially a 50 percent reduction. But when the impact of inflation is considered, our CDBG funding level is more like 20 percent of what it was 15 years ago. And we find that we have to stretch those dollars tighter and tighter and that less of that money is available for infrastructure.

In Georgia, direct State aid to Atlanta for infrastructure is mainly limited to highway projects so that the reduction of Federal support in that area must be made up through purely local dollars. To add injury on top of injury, we now hear Federal budget strategies discussed that would eliminate Federal income tax deductibility of State and local taxes and we find every year that we must be vigilant to ward off the tax deductible status of interest incomes from local government bonds. All of these actions would simply make it more difficult and more expensive for local governments to raise revenues locally to meet our infrastructure needs.

I believe there are compelling and sound arguments for major State and Federal participation in funding of local government capital facilities. I think Atlanta is a good example of the dynamics that are at work there. Atlanta contains roughly 20 percent of the population in the metro area but contains the major educational institutions, the regional hospitals, major religious institutions, regional recreation facilities such as stadia, major parks, the zoo, museums and is host to the capitol of the State government and major Federal facilities. Virtually all of the property involved in these activities is exempt from City of Atlanta taxes. The infrastructure necessary to support these facilities which serve the metro area, the State and in some cases the southeast region or national constituency simply cannot be paid for primarily by the taxpayers of the City of Atlanta.

While logic suggests that some of the funding inequities created by these roles can be corrected at the State level, the political reality is that is not the case to any great extent. Thus we have historically depended upon the Federal Government to provide some of the equity through distribution of Federal revenues.

In closing, we see a basic need for comprehensive and cooperative effort by the three levels of government to ensure that the needs of our citizens are met. Atlanta is committed to taking the steps we need to take to provide for infrastructure needs, but we need and solicit your support as you study the Federal options to address these critical issues.

Thank you.

The CHAIRMAN. Thank you very much.

Maybe I can direct a question to all of you and let Michael answer it first. My first question is, clearly infrastructure problems exist nationwide, but can you give us from a local perspective some idea of what steps you expect to take to meet your particular infrastructure needs and what kind of help you can expect from both the State and the Federal Government? Would you like to comment on some of that?

Mr. LOMAX. Thank you very much.

Over the last decade, Fulton County has undertaken about a one billion dollar capital improvement program and that has ranged from the rebuilding of our government center at about $200 million and rebuilding of our charity hospital at about a $300 million level to our jail at about $50 to $60 million and library system another $50 million. The remaining $400 million or so has been focused on traditional infrastructure improvements. The majority of those, wastewater treatment and water facilities, have been paid for through user fees and the ability of our government to expand treatment and—water treatment and wastewater treatment capacity has been a function of the ability of the user to pay. We anticipate because of substantial growth in portions of our unincorporated areas and incorporated areas to continue to invest significantly in wastewater treatment. That will be paid for through increasing rates that we charge the user.

I have to tell you that part of that improvement in the system is the result of just gross need of additional wastewater treatment capacity, but another part of it is to meet appropriate higher standards for treatment and discharge into the Chattahoochee River, which has been established by both the Federal and State governments.

With regard to transportation improvements, we find ourselves in a far more difficult situation and I would echo for us what Mayor Etris has said for the situation in the small community like Union City. We have no partners other than the State of Georgia when it comes to roads and streets, bridges, that is purely a local initiative. Fulton County is 80 miles long, Mr. Chairman, it has got ten cities in it including the City of Atlanta. We have unincorporated areas with populations in excess of 100,000 people, yet we have the ability to issue $3 million annually in general obligation bond debt for all of the infrastructure improvements that this county government would need to make. We cannot oftentimes condemn property associated with one transportation improvement for $3 million. We do not have the capacity from either the Federal or State government to issue debt, tax-exempt debt, for many of the infrastructure improvements unless we get voter approval. And if part of your job is to help raise the consciousness of the Congress with respect to the need for reinvesting in public infrastructure, I can tell you—and I am sure that that is a difficult job—I can assure you that raising the consciousness and educating the local citizens of the importance long-term of investing in public infrastructure is an even more difficult effort.

I want to underscore that while we have been successful in many of the ventures that we have undertaken because we have had growth in our tax base so that when we zone a piece of property we can say to the developer that if you want it, you have got to pay for the road improvements, and if you want it—using the exaction method of requiring that they help pay for those infrastructure improvements. Those techniques only work when the developer really wants to develop in your area. That works in an area which is a high growth area where there is a premium to be located there, but when it comes to other parts of our community where the infrastructure improvements need to be made, where we are trying to encourage growth and development, then the onus is entirely upon us to pay for those infrastructure improvements and oftentimes the private sector says we are not coming in there unless you pay for it, and we do not have the options available to us. The problems which we face locally I believe are magnified all across the country by other urban governments, whether city or county, which are trying to pay for these transportation and other improvements which in the past we have had support from the Federal Government on, today we have little or no support.

The CHAIRMAN. Well I know you have got to go, but I mentioned outside to one of the other people awhile ago, they asked me something along the same line, I told them one of the first things we try to do in Federal Government is make sure that you people at whatever local level you are on, try to do what the people in your district want. If you are a city councilman or mayor or State legislator or whatever, you should try to do whatever the people in your elected district want you to do, but at the same time you should work with those local agencies, whether it is agencies from the

State government or the legislative office or from your local county or your city. Then when you get all through the local—you know what the local people of your area or your community or your county or your State want, then do not forget us, because like in our committee, we have a good subcommittee and a lot of resources that are experts to some extent as members in those various things, at least leaders in it. And we have staff people who we hope are good staff, we think they are, and they become pretty good experts themselves. We have got subcommittees on aviation and highways and transit and public buildings and grounds and economic development—all kinds of things. So we are involved in many of the areas that might be of concern to you, but you bring them to us either directly or through your great Congressman here, he can bring them too. But if you do not bring them to him, he cannot bring them to us as good as he can if you do that.

But we want to be involved with you. We think sometimes we can help—not always with money, but sometimes we can help with ideas and things. So we do want to hear from you.

John, maybe that is a good time for me to kind of let you take over and ask.

Mr. LEWIS. Thank you, Mr. Chairman.

I do not have any questions for the good Chairman, Chairman Lomax and the good Mayor of Union City, Mayor Etris and Mr. Rick Anderson. I just want to thank you for being here and being willing to testify and give us your thoughts and ideas and recommendations on what we should be doing about the rebuilding of the infrastructure.

The CHAIRMAN. Ben, would you like to say something?

Mr. JONES. I would also like to thank our panel today. As you know, you are preaching to the choir here—in fact, we are all in the same choir, and this is a message that Congressman Lewis and myself find ourselves constantly repeating in Washington, of the crying infrastructure needs, particularly for this region, which has experienced such a tremendous growth. We need to constantly reemphasize the Federal role.

I appreciate you coming today to help lay out what the problem is and look forward to continuing to work with you on those solutions. Thank you.

The CHAIRMAN. I do not want to differ with what you said, but while I was out there a little while ago, and I was not looking for any questions, but I had four different people stop me and talk to me about the building of apparently a highway through a rather congested part of this part of the State right now, and they said what were we doing about it. I said, frankly, it seems to me this is something that should first be decided by you people out there, whether you want to do it. I mean that is why we elect people to the city council and mayors and county governments and State legislatures and governors and so on. We hope that they can kind of work something out. We can help them the best that we can, but I do not want to be the one that tells them you want a highway but you do not want to go through that part or move those houses or something. You people should decide that—they should discuss that themselves because it is their problem.

Mr. **Jones**. Mr. Chairman, we have been working on trying to settle that for some years now.

The **Chairman**. Four or five asked me about it.

Mr. **Jones**. There will be a resolution soon to that we hope and those are once again the kinds of problems that we experience, they are problems of growth here, and that particular project that I think you are referring to is a classic example of how often well-intentioned people find this conflict—you know, these are the kinds of things—and I agree, this is a matter that is going to be resolved, I think in the courts very shortly.

In talking to the panel, I think that the Federal role, as you point out, is to be supportive of those local decisions and on this particular issue, I think there is going to be a local decision before long and we will hear—perhaps today we will hear some testimony on the other side of this, but I am opposed to the Presidential Parkway as designed, and this is an area where I disagree with State transportation officials. The design of the Presidential Parkway is destructive to the intown neighborhoods, and I think would be better served by alternatives. The only road design I would support is a very limited access to the Jimmy Carter Presidential Library.

The **Chairman**. Thank you.

Mr. **Jones**. You will hear more about this one.

The **Chairman**. Good, good.

The next panel we will hear from today consists of Mr. Ira Jackson, Commissioner-Elect for the Atlanta Airport and representing Delta Air Lines is Mr. Harris Morris—just the two? Do we have Mr. Jackson and Mr. Morris—yes, we have them.

Mr. Braden, you represent the Atlanta Airport then?

Mr. **Braden**. That is correct, yes.

The **Chairman**. You may start, Mr. Braden.

TESTIMONY OF JOHN BRADEN, REPRESENTING ATLANTA AIRPORT; AND HARRIS MORRIS, ASSISTANT VICE PRESIDENT FOR PROPERTIES, DELTA AIR LINES

Mr. **Braden**. My name is John Braden, I am here to represent the airport and Mr. Jackson who could not be here today. In the interest of time, I will summarize his written remarks.

The remarks to you today concern the needs associated with maintaining our position in the world with respect to aviation, tourism, business development and the great progress our city has made in the past 30 years that are attributable to the airport. These are needs that can only be fulfilled through the continued cooperation between the Federal Government and the City of Atlanta. This of course, implies the importance of continuing Federal support for the nation's airports.

Our needs must be thought of in terms of short-term and long-term solutions; the first being the period from this year through 1995; the long-term being from 1996 through 2005.

Our short-term needs can be divided into the following categories: Building and service enhancements, airfield improvements and noise mitigation.

The first category includes expansion of the present terminal complex. These additions are primarily for the benefit of the passengers and will provide more open areas and concession space in the main terminal and each of the four domestic concourses. A small part of this is already underway. With the expansion we must include modifications to support facilities, roadway and parking improvements. We must upgrade our security system to meet new Federal requirements. We have scheduled cargo ramp improvements and a much needed expansion of our present Federal inspection services building. These items alone amount to about $84.5 million and only begin to address our needs. The largest and most expensive item in this category is the new international concourse which we hope to have under construction within the next 12 months. Though our current international concourse which has been doubled in size since the terminal opened in 1980, is not large enough to meet the expected demand in 1991, we cannot complete the new concourse which will cost $300 plus million before late 1993.

Airfield improvement needs fall into a "must do" category, pavement replacements and support facility improvements, but our most important need in this area is for the construction of a fifth parallel runway.

The last category for short-term needs is one of great pride to the City of Atlanta. It is our noise mitigation program, which has become a standard for airports worldwide. In order for us to complete the currently approved measures through Federal fiscal year 1996, we will spend almost $174 million. Of that, we expect Federal trust fund monies will provide $123.5 million. The balance will come from airport generated revenues and anticipated land sale proceeds.

Now let me turn to our long-term needs. Our airport enhancement program for 1996 through 2005 consists of airfield repairs, terminal building modifications and roadway improvements.

The noise mitigation program which is currently scheduled to be completed in Federal fiscal year 1998 will cost $61.8 million. We anticipate receiving $49.5 million of this amount from the Federal trust fund.

Finally, but of extreme importance to Atlanta, we are faced with the need for an additional airport to accommodate the growth of Atlanta and the area served by our airport. The Atlanta Regional Commission is currently conducting a study to determine the best site for this new airport which will be designed to supplement, not replace, Hartsfield. Many important decisions are yet to be made concerning the size of the initial phase of the second airport, but we know that we are faced with a minimum outlay of $400 million for this project. It is quite possible that by the year 2005, we may have to expend up to one billion dollars.

In closing, I would like to thank you for the opportunity to present this information to you. I look forward to working with you in the future, and I will be happy to supply you with any additional information which you may require.

The CHAIRMAN. Thank you very much.

Mr. Morris, do you want to make your statement?

[The prepared statement of Mr. Braden appears on p. 1084.]

Mr. MORRIS. Thank you, sir.

Mr. Chairman and members of the Committee, I am Harris Morris, Assistant Vice President of Properties for Delta Air Lines. Delta certainly appreciates this opportunity to provide the Committee with its view on aviation infrastructure issues important to the metropolitan Atlanta area. On behalf of Delta Air Lines, I want to comment Congressman Lewis for his leadership and his efforts on the Aviation Subcommittee to preserve the outstanding aviation system we enjoy in our great city. Atlanta has indeed been fortunate over the years in having civic and political leaders who have recognized the importance and value of the area's economic development associated with an efficient transportation system.

Delta has consistently advocated that the City of Atlanta, in concert with other governmental entities owning or operating airports, should maintain a strong, efficient and effective airport system to meet the needs of metropolitan Atlanta. Delta's position in this respect has not changed, although as a result of deregulation, many new factors must now be considered.

Delta strongly supports efforts to expand the capacity of Hartsfield Atlanta International Airport. The maximization of Hartsfield's capacity to maintaining Atlanta's position as a dominant hut and a growing international gateway serving the southeastern part of the United States. This expansion involves airfield, landside, airside and support facilities to meet these future demands and the growth. Airfield improvements will include a new commuter/air carrier runway, hold pads and other improvements in the airfield area to increase ground aircraft operational flexibility. FAA is currently conducting tests in Memphis and Raleigh-Durham Airports of a new radar system that is designed to enable simultaneous approaches on runways with a separation down to a possible 2,500 feet. The results of these tests have been very positive and installation of precision radar equipment at Atlanta would greatly enhance the airport's capacity and reduce delays as we proceed to maximize Hartsfield.

Delta believes that improvements to airside capacity would facilitate additional growth through the construction of new terminal space. We support the construction of a new concourse dedicated for international operations, known as Concourse E, and new federal inspection facilities to meet the needs of expected growth in international operations. Existing concourses and terminal facilities must be improved and expanded to enhance concession areas and airline/operational service areas in order for the entire facility to meet the growing needs of the area.

The Atlanta Regional Commission (ARC) is conducting a two-phase study to assess the need and methods by which additional aviation capacity can be provided to the metropolitan Atlanta area. Phase I of this study has been completed and concludes that the short-term alternatives are the maximization of Hartsfield as outlined above.

Although there are many conditions and criteria that must be evaluated as part of the Phase 2 site selection process, we feel that the review should concentrate on the four top criteria that have been selected by the ARC Project Advisory Team. These evaluation criteria are:

Proximity to passengers;

Flexibility to accommodate future demand;

Impact on Hartsfield air space and capacity; and

Potential for adverse environmental impact.

In other words, the most important objective in considering a site for a second air carrier airport serving the metropolitan Atlanta region is its ability to reasonably and conveniently serve the customer—that is, the flying public. Secondarily, the new airport site must hold the potential to be expanded to accommodate future demand. Delta feels that it is critically important that any future site not adversely impact the capacity of Hartsfield's present and future operations. We must maintain Hartsfield as a primary connecting hub and the international gateway for the southeast.

Delta continues to participate on the ARC Task Force Advisory Group and supports the selection of a potential second Atlanta air carrier airport site north of Hartsfield. The construction of a second air carrier airport north of Hartsfield should commence when it can definitely be determined that Hartsfield's capacity will, in the reasonably near future, no longer be able to appropriately handle all demand that will be placed upon it. Delta feels, based on a review of FAA capacity studies and FAA forecast data, that with a new commuter runway at Hartsfield, the current operational techniques used by FAA air traffic control would support 1.1 to 1.2 million annual operations without excessive delays. This volume is expected to occur well after the year 2000.

Delta hopes that its comments will be useful to the Committee's deliberations concerning the aviation capacity needs of our region. A strong, efficient and effective Atlanta airport system is of the utmost importance to Delta and Delta will continue to actively support efforts to preserve Atlanta's pre-eminence as an air transportation hub.

Thank you for this opportunity to appear at this hearing and we will be glad to answer any questions that you may have relative to our testimony.

[The prepared statement of Mr. Morris appears on p. 1173.]

The CHAIRMAN. Well, thank you.

If a federal infrastructure program was established with some of the money apportioned to communities on a formula basis and with the remainder allocated as the result of benefit/cost analysis with the best projects getting the most money, how do you think aviation projects would fare compared with highway, transit, sewerage and water supply projects?

Mr. BRADEN. We would hope, of course, that they would fare very well. Atlanta is a city whose main industry is transportation, so we require all these parts of the puzzle to fit together.

Aviation is very important from the standpoint of the modern business practices which require that people and commodities must move very quickly in order to meet the demands to today's business world. We feel that we can support the needs that we have in aviation. We are very lucky in Atlanta to have an airport that is very self-sufficient and it supports many of its own needs. We cannot, however, continue expanding without the help of the federal government and federal funds that we hope will be coming our way.

The CHAIRMAN. Well I was kind of wondering because I know as you travel to different cities in this country, you find different attitudes. It kind of shocks me when I go to Chicago or San Francisco or some of the others, which are pretty nice places, and I find they have a problem getting local support for local projects on their own airport. But they will admit to you that they should be doing something on their particular airport right now. Then you find others where the airport is kind of the number one thing out there with no problem at all.

Of course, you are on the Aviation Committee, your job is to smooth that all out. [Laughter.]

But anyway, that is the reason I kind of asked that question.

John, do you want to pick it up from there?

Mr. LEWIS. Yes. Thank you, Mr. Chairman. Let me just thank you for being here.

There has been a great deal of discussion in our Committee and the Chairman and members of the Committee have been very supportive on both sides of the aisle, both Democrats and Republican, of spending down the aviation trust fund. How would you like to see that fund used over the next few years, the aviation trust fund? We have quite a few dollars there that should be used, some of us think, to improve the airports around this country.

Mr. MORRIS. Congressman, if I may make a comment in that regard. I think it would simply be the spending of that money in accordance with the criteria for which it has been collected over the past years. It is an 8 percent assessment on the flying public, on their ticket price. It supposedly has been collected for a very specific purpose and we would like, and certainly endorse seeing the existing trust fund and future revenues collected from that passenger tax, to be spent for the improvement of the aviation system under the existing criteria for which it was collected.

The CHAIRMAN. I remember flying in some of these airports, and I mentioned two a moment ago, where I knew both of them needed work. But one of the things that was happening about this time—I guess we are talking now about 25 years ago when we passed that ticket tax—almost every time you would pick up the local paper in my area, which happened to be Los Angeles, but I know it was also true in Chicago and New York and elsewhere—almost every morning when you picked up the local paper, there was a near miss yesterday in the local airport—almost every time. And of course in my case, where I fly out almost every week, 43 trips I think last year—when you fly out that much, you hope that they are going to miss but you do not like the idea of having a near miss almost every time a plane takes off. And of course in Los Angeles one of those was not such a miss. I think we had 12 people killed.

So I was called in to a meeting by the California State Chamber of Commerce, and they said this was something we should do something about and they seemed to imply that they were the ones getting endangered because they said most of them were parts of corporations that had branches in San Francisco or Los Angeles or Seattle or Denver or New York or someplace else, and so they had to, as part of their business, fly almost every day from New York to Chicago or Chicago to St. Louis or wherever it may be, and almost every time they picked up the paper there was a near miss. And they said something has got to be done. So I met with a small group of them after that and I told them "well, except we do not have any money", because we did not have any money for it specifically. Well they said "tax us". I said, "What do you mean by that?" And they said, "Tax us when we buy tickets." And of course that is where the 8 percent ticket tax originally came from. And when we put it on, we put it in a separate fund and it was supposed to be spent 100 percent to make our airports safe in this country. But then it got into the situation like has happened to our highway trust fund and a couple of other trust funds, that they find if they get money in those trust funds and do not spend them, then they put that money, I guess on paper, alongside the deficit, it makes the deficit look better. I think right now—I am not sure of the figure, I have to check it every day—but I would take a wild guess that the deficit must be $25 to $30 billion sitting there between the highway, the transit and the airport trust fund. That is money we should be spending because every one of those trust funds—I know when I went on radio and television here a few years ago to raise the gasoline tax five cents, I remember there were three or four of us that went on that way. We said every penny of this is going to be spent for our highways and our bridges. But we did not—the money just sits there trying to make the deficit look better.

My theory is one of the things we have got to do is get the information sent to your local Congressman and Senator, but more important to the people in the administration, in the OMB, Office of Management and Budget. They are the ones who put the recommendation out to keep money in the trust funds because it makes our deficit look that much better.

I think it is an education job we have to do, and groups like you should do it, all over the country, because you know that money was collected for airports, to make them safe, and then when it just sits over there in the trust fund not even—I hope it is collecting some interest, but not doing very much. We should be spending it to make our airports safe. I just wanted to comment on that. Maybe I should not have, but I did.

Mr. **Morris**. Mr. Chairman, if I may have a response comment. We certainly agree with what you just said and we are attempting to participate in a very effective manner. I am sure you know Mr. Yoey, who is our representative in Washington. And in turn, in relation to the comment that you made about the local opposition to certain improvements and so forth at airports. I think that is one that certainly exists today, certainly stronger in some areas and some airports than others, and in your home state you certainly see it very strongly. I think that is an indication that there may very well be a serious need for some type of national noise policy that gives overall direction to avoid local restrictions, curfews, et cetera, that at a point in time will exceed the capability of the industry to meet.

Mr. **Lewis**. Mr. Chairman, let me just follow up by asking Mr. Braden, what is the position of the airport operators on spending down the aviation trust fund?

Mr. **Braden**. The position of the Airport Operators Council International and the Atlanta Airport is these funds have been taxed to the public and should be spent for that purpose. It is collected not only on tickets but also on general aviation fuel and air cargo shipments as well. Many people are paying a tax, the tax is going to Washington and being impounded there. We feel this is not the right way to deal with the public's money.

One of the solutions that has been proposed to this recently is a public facilities charge, a head tax on passengers. We have supported this in the belief that the federal trust fund monies are going to be kept in Washington and not spent for the purpose for which they were collected. We support the PFCs if the money is going to remain impounded. We would like, instead, to have these trust fund monies spent down, use the money for which you have it, that way we will not need the PFCs.

Mr. LEWIS. Thank you.

The CHAIRMAN. Congressman Ben Jones, you are on the Aviation subcommittee—we are kind of fortunate, we have two members of the Aviation subcommittee right here with us today.

Mr. JONES. Thank you, Mr. Chairman. I am glad you did editorialize about the trust funds because if you were not going to, I was going to. We are talking about a significant amount of money, what we are talking about is $8 billion that——

The CHAIRMAN. That is just in the airport trust fund.

Mr. JONES. That is just in the airport trust fund, not counting the highway trust fund which is also being used as something of a sham and a shell game to cover the true extent of the deficits and I think the American people long ago got wise to that game and so they are not fooling anybody with the budget tricks. But indeed we are being cheated because our money is not being used for what it was intended to be used for. So I got my two cents worth in on that and I will say amen to what you said.

I do have a question though—and we have made every effort whenever I get an opportunity—and I have signed legislation in terms of removing the highway trust fund from the budget and I do have to differ slightly about the PFC. I think that is just a—in my personal opinion, I know there are probably differences in your position sitting there—in fact, I know there are. But to me that is just another tax on top of a tax when we are already being taxed too much already. And I would like to see this money, first of all, spent for what it was intended to be spent for, before we tax the traveling public any more. And that was a tough call for a lot of us on the Committee.

My question is about a new airport. We talk about we can see ourselves to the year 2000 before we will reach the capacity level at which we will need another airport, or we, somehow at that point, stop growing. We stop developing or enhancing our capacity, and as you pointed out earlier, transportation is our lifeblood here in this region, and it is really our reason for existing. We are now becoming an international crossroads.

But my question is this, if by the year 2000 we have reached that capacity, do we not need to start building that—how long does it take to build a new airport? Now I think I can safely say that in this region there is support for a second airport, the disagreement is about where to put it. But we all know that we need to do whatever we can and support the growth of this area.

The **Chairman**. That is the situation everywhere. I can give you at least five to ten places who want another airport. But the question is where to put it. They have all got a similar problem to yours.

Mr. **Jones**. I think our problem is kind of a good one because there are a lot of positive areas and alternatives, and there are areas that want another airport—I mean that want to be the site of that second airport.

But my question is this, how much window of opportunity do we have now before we get—before we lose that opportunity to have another airport in place at the point at which it is projected it will be necessary? It seems like to me it takes quite awhile to build a major airport. So if we are talking about the year 2000, we need to start putting a shovel in the ground pretty soon, do we not?

Mr. **Braden**. We agree with that. We anticipate that Hartsfield will remain viable probably through the year 2005 at least. We are looking forward to new technology in the field of handling aircraft coming and going, and other improvements will extend the life of the airport. We are planning a new runway and some other enhancements that will keep Hartsfield a very viable airport even beyond the year 2005. But we do see the need for the second airport and we are making plans for it. In fact, we have been planning this airport since 1974.

We feel we are on track, we have to make some decisions very quickly, mainly as to where to put it. But the support in the community is there. We need a second airport early in the next century, we feel we are on schedule now and we feel it will be completed at the right time.

Mr. **Jones**. I thank you. And I thank you, Mr. Chairman.

Mr. **Lewis**. No other questions, Mr. Chairman.

The **Chairman**. I think that is it. Thank you very much.

Our third panel today represents surface transportation and road issues. We have Mr. Philip Boyd, Chief of Transportation Planning of the Atlanta Regional Council and Dr. Catherine Ross, Professor of Transportation at Georgia Tech.

If I could, before we begin this panel, let me remind all of our witnesses that because so many of you have offered to help us by appearing before us today, that while your prepared statements will be made a part of the record, I must ask that your oral presentations be kept down to 2 or 3 minutes, if you can, and this will allow us time to ask more questions and to have more witnesses.

TESTIMONY OF DR. CATHERINE ROSS, PROFESSOR OF TRANSPORTATION, GEORGIA INSTITUTE OF TECHNOLOGY; AND PHILIP BOYD, CHIEF OF TRANSPORTATION PLANNING, ATLANTA REGIONAL COUNCIL

Dr. **Ross**. I will certainly try to respect that. Let me extend a welcome to you, Chairman Anderson, to Congressman Lewis and Jones and to the members of the House Committee on Public Works and Transportation.

I am Catherine Ross, a Professor at the Georgia Institute of Technology here in Atlanta, and I want you to know that we were initially quite excited by this visit and wanted to somehow impress you upon your arrival and thought very seriously about having your plane circle the airport any number of times as we frequently do when we come back to Atlanta, but decided such was not an appropriate welcome to our city for such a distinguished body as yourself. On a more serious note, we are indeed quite pleased to have you here.

I have prepared written testimony and as such will just give a brief overview of my comments.

We are of course now everywhere confronted with the reality that our infrastructure has suffered from a lack of attention. There are a number of reasons; inadequate maintenance, poor management and insufficient budgeting for recapitalization of the infrastructure. I would suggest, however, that the issue is not only one of recapitalization but the integration of cutting edge technology and new capital investments.

Much attention recently has focused on the whole concept of smart technology, smart streets, smart systems. I suggest we ought to be driven by smart reinvestment in the transportation infrastructure. This must be done, of course, being cognizant of a supportive posture relative to economic development and obviously in the quality of life—improvements in the quality of life.

If I point now to needs in the City of Atlanta, the economic viability of the City of Atlanta, coupled with the age of the traffic signalization technology has really joined forces to impact negatively the mobility or travel within the city limits. As a result, we now find that we are compelled to upgrade our traffic control system for the City of Atlanta. We have done a great deal of work in that regard and have concluded that the implementation of a new traffic control system will take approximately ten years at a cost of approximately $40 million. Of course we can design this system with an open architecture that makes it amenable to accepting new technologies such as freeway incident management perhaps.

Bridges and viaducts need immediate attention in the City of Atlanta total approximately $29 million and our areawide capital improvements program for the year 1990 through identifies a need for three-fourth billion dollars worth of projects at regionally significant airports in the Atlanta area. This does not include, of course, a second airport about which we have just had some discussion.

The continued construction of MARTA is vital to the Fifth Congressional District and to the Atlanta region. The total cost of rail construction in the transportation improvement program is one-half billion dollars. The total cost of MARTA including rail construction and the transit operations program for fiscal years 1991 through 1998 is three-quarters of a billion dollars. We urge you, however, to continue to support the development of mass transit and would suggest that in fact that is a solution for many other places in the United States.

I think I will stop there except to say that I would like to go on the record as saying that the resolution of our infrastructure problems, it seems to me, suggests great initiative and effort on the part of both the public and the private sector. So at the same time that we are considering these needs, we have to do it from the perspective of leveraging investments by the public sector to attract interest and support and financial activity on the part of the private sector.

Thank you for this opportunity to testify and I do have a number of reports I would request be placed on the record, or at least have you review.

The CHAIRMAN. Yes, thank you. Without objection, your extra paper will be made a part of the record.

Mr. Boyd, would you like to make your statement now?

[The prepared statement of Dr. Ross appears on p. 1211.]

Mr. BOYD. Yes, sir. Thank you, Mr. Chairman.

The CHAIRMAN. You are Chief of Transportation, are you not?

Mr. BOYD. Yes, sir, Chief of Transportation Planning, Atlanta Regional Commission.

Let me just say I noticed on the program that our Executive Director Harry West was listed, and Harry regrets that he had another commitment this morning and I am standing in for him.

As Commissioner Lomax mentioned earlier, the water supply issue is probably the most pressing and critical infrastructure need in our region, and Mr. West is going to be talking to you this afternoon in your hearings about that issue.

We sincerely appreciate the invitation to appear before you today as you work to identify the infrastructure needs of the Atlanta region and our nation. I am submitting ARC's full testimony in written form to you, but would like to take a few minutes to summarize it.

ARC is the metropolitan planning organization for the eight-county Atlanta region and as such is responsible for maintaining the regional transportation planning process. In this capacity, ARC recently completed an update of the regional transportation plan out to the year of 2010. This plan includes a comprehensive package of highway and transit improvements which will cost us nearly $6 billion and will, overall, just maintain the level of service that currently exists in our region and on our local road network and with expansions to transit.

As we developed this plan, we identified several major transportation issues facing this region and we realized that these issues are not unique to Atlanta, but rather exemplify the new challenges facing the nation as a result of changed patterns of urban and suburban growth.

The first issue facing the region and the nation is how to provide new facilities to serve the mobility needs of suburban areas. In the Atlanta region, we have seen a tremendous increase in the number of vehicle trips bound from one suburb to another, yet few cross-regional facilities exist and those that do often have little or no capacity to spare. The situation is made worse by the lack of transit in suburban areas. The need to provide new and improved links between suburban population and employment centers is critical.

A second major issue confronting us is the need to maintain existing capacity provided by our radial freeway system. Suburban growth, coupled with inadequate cross-regional facilities, threatens to erode additional capacity as commuters use the radial and perimeter interstate system for cross-regional trips. Additionally, the growth of trips going into the region's core area or simply passing through the region is expected to increase markedly. We must strive to maintain the capacity and condition of these radial facilities.

A third major issue is transit. In the Atlanta region, we have recognized and documented thoroughly the need for transit in all the region's counties as a means to relieve highway congestion and provide mobility to those unable to use their own vehicles. We see transit as an essential element in a balanced and comprehensive transportation system. Neither the Atlanta region nor the nation as a whole can rely on highway improvements alone to meet all mobility needs.

A fourth issue we face exemplifies the changing nature of the nation's mobility needs in the 1980s and 1990s, what I refer to as the growth of suburban development centers. These activity centers have resulted in severe congestion as local traffic conflicts with through traffic. In addition, transit is often unavailable to provide any relief to the over-burdened road system. We must come up with new approaches to address these problems.

These are but a few of the major issues we see ahead as we move toward the 21st century. As we know from research and our own experience, the interstate highway system has played a key role in transforming the shape of American metropolitan areas over the past 30 years. Furthermore, it has been an essential element in supporting economic growth throughout the nation. As we approach the year 2000 we must maintain this system as well as address the new priorities and mobility needs.

There is a clear need for the federal government to play a strong role in this process in order to ensure the nation's continued economic vitality.

Atlanta, like the nation as a whole, depends more and more on air transportation. We are moving forward, as previous testimony has borne out, with regional plans to identify the best possible site for the Atlanta region's second air carrier facility, and appreciate the federal government's continued support of our efforts. The region's and nation's need for additional commercial and general aviation capacity is critical and we encourage Congress to make the improvement and expansion of the nation's airport and air traffic system a cornerstone of any plan to address the nation's infrastructure needs.

ARC applauds and appreciates the Committee's efforts. We will continue to support your work in any way we can and look forward to working together to meet the future mobility needs of our region and our nation.

Thank you very much for this opportunity to share our views with the Committee.

[The prepared statement of Mr. Boyd appears on p. 1068.]

The Chairman. John, would you like to open it?

Mr. Lewis. Thank you, Mr. Chairman. I do not have any questions but I want to thank these witnesses for appearing before us today.

The Chairman. Well let me ask you both—there are those who criticize the addition of new transportation capacity in metropolitan areas, believing that this engenders new growth which renews the cycle of requiring additional capacity. Now how do you address this? Does growth create capacity needs or does capacity stimulate growth? It is really a chicken and the egg question, but I was just kind of wondering what your thoughts were on that issue and I notice you have a little bit of it here.

Dr. Ross. Well I think there are instances where you can argue either the chicken or the egg. What, it seems to me, is important, is that as we increase capacity, there is a direct correlation in terms of—we can predict in fact subsequent growth. So the issue then becomes how do we leverage that transportation to facilitate or control that growth in a way that is helpful.

If you look at transportation literature, what it suggests is that we have, by and large, looked at capacity questions and resolved those on the basis of what the economic development interests were. And I suggest that we have to—my own thinking is that we have to be a bit more constrained in that approach and really ask the hard questions. We construct transportation facilities because they support life and economic activity. We do not construct transportation facilities so that we can consume transportation. We want to minimize that.

It seems to me that we have not thought enough about that, done enough of the kind of evaluation that allows us to make better investment decision.

Mr. Lewis. Mr. Chairman, will you yield there for a moment?

The Chairman. Sure.

Mr. Lewis. Would you sort of place in some perspective for the Committee should we in the greater metropolitan Atlanta area and the State of Georgia and in the nation, with the current crisis in the Middle East, be losing our love affair with the automobile and put more emphasis on mass transit and rail, maybe using rail to hook up cities between Atlanta, Macon or Columbus, Savannah, or having MARTA to go down to Newnan rather than these superhighways where we may not have fuel. Could you speculate, just think out loud, as we move toward the 21st century?

Dr. Ross. Absolutely. We look at and you hear so much about the suburban crisis and in fact if you look at and are cognizant of the fact that the biggest travel demand now is between suburban areas, not suburban areas to the central business district, any longer. We have to ask ourselves whether we can afford to put in place the kind of infrastructure that we currently have, if you look at our interstate system, to meet that demand. I suggest not. In fact what we need to be talking about is obviously going to have to be some small improvement in terms of capacity, but basically we are talking about another way of meeting that demand. I do not believe we can capitalize infrastructure to be responsive in that regard and I am also not convinced that we should.

The other notion that strikes me is that even if you look at these burgeoning suburban areas and we ask of them as we are asking of Atlanta and major metropolitan areas, that they begin to think about funding their own transportation infrastructure to a greater extent—I would suggest that what they are going to fund is not at all like what we have done historically, that that will have some local resolution. So I would suggest that we in fact not think about or carry around in our heads the idea that we can afford to capitalize our highway infrastructure to the point that it can meet suburban travel needs as they are currently growing, that there must be a multi-modal approach, certainly transit, para-transit offer great opportunities in that regard.

Mr. BOYD. Let me also say that I think this region has, over the years, recognized that a balanced transportation system is the system that we need. We have recently completed a massive rebuilding of our freeway system and it is essential to the economic vitality of this region.

Our plan today contains a few new segments, but it is oriented toward maintaining the capacity of that freeway system, but the majority of the road improvements, as Commissioner Lomax mentioned earlier, are for widenings of existing arterials and collectors throughout the region. These two-lane roads that need to be four lanes are critical to moving traffic in and out and through the region.

Transit is an important component of our region's plan and over the last 15 years we have gotten over 30 miles of rapid rail transit in operation. We have 32 more miles currently in the plan and part of that is programmed. I think the bottom line is that we need a strong partner in the federal government to free up these trust funds—the highway trust fund, the highway account and the mass transit account, and the airport trust fund, to bring these monies back to the state and to the local area so that these plans can be realized.

Mr. LEWIS. Thank you, Mr. Chairman.

The CHAIRMAN. Last Friday, I, along with Congressman Lewis and Congressman Jones and 68 other members of the Congress, introduced a resolution designating next year, 1991, as Rebuild America Year, and calling on the President and the Congress to establish a national infrastructure program. Today's hearing is a part of the process of finding out local infrastructure issues and concerns and how they might be addressed in a local program. We have been holding hearings, as you know, we had two yesterday and two the day before. We have been in Texas and Ohio and Louisiana. We will not get every state, but we will try to get around pretty well, and I have noticed almost every one had different kinds of problems that we are going to have to work out. We are going to have to get them to work them out locally as much as they can, but I think that we nationally have to give the leadership to try to get a national program. And sometimes you just do not know what—and I mention that in your deepening of your channel down here that we were looking at when we flew in last night.

I know you have got areas down here that need the same thing. I represent the part of Los Angeles that has the Long Beach port and the Los Angeles port in it, and there have been good Congressmen before me and I assume they did a good job and I did not try to upset too much. But it so happened the Port of Los Angeles only had a 15-foot deep channel and I guess everybody thought that was good enough, nobody landed—small boats could land there, but big boats could not. Most big containers have to have at least 45 feet. I am told that in the old days if there was something that had to go to Los Angeles, they would take it up to Oakland—could take it—or take it down to San Diego and unload and then bring it in by truck.

I happened to be out there—and this is about 15-18 years ago now—I happened to be out there one day and somebody wanted me to see something and I think it was one of the labor guys who wanted me to see it, and we saw where one of the big ships that needed 45 feet of water to come in, they decided to unload it anyway, but they kept it out about 2.5 miles out in the deep water. Then they took a little boat out, about a fourth or fifth the size of the big one, and they were trying to take this great big container off the big ship out in the deep water and put it on the little ship. There were no derricks out there, there was nothing out there. They tried the little hoists from the ships trying to do it. And I went out on a small boat and looked at it and it looked crazy. I thought somebody was going to get killed doing this.

So I asked why and I went to the Army Corps of Engineers and they told me years ago they had told somebody they should deepen the channel but no one ever did because it would cost money. So I said well how much is it going to cost. They told me they thought it would cost about, I think it was $36 million or something. So I went around to local groups, mostly private concerns, but I got some public money in the Los Angeles area, to get the $36 million and made the steps to deepen it. And then I was told no, it is not $36 million, it is $64 million or $68 million, which I did not have. But I went to the Army Corps and we struggled around and I finally got most of the additional money I needed from the federal government, so the total cost was split between the local people there.

We deepened the channel to 45-50 feet and almost overnight ships started coming in that had never come in before and business started getting so good—we did not have any business before that. We then deepened some of the channels in Long Beach as well. New York-New Jersey was the number one port complex in the Nation, they were ahead of everybody. We were nowhere. And in a short time we became more competitive and it was just a few months ago now that we passed them and we are now the number one port complex in the country. In the last six years, as a result of what we have done, we have brought into the federal government I think over a billion dollars a year clear profit in customs for the last six or seven years. And they tell me in the next ten years it will be even two or three times that.

So sometimes when you do these kinds of things, it makes money for the local people who are doing the business. Another thing that happened at the same time, when we did that, all of a sudden there was a movement for industries that wanted to come in and we had no place for them. So we built a world trade center. And we first thought: Well can we afford one, and we figured 10 to 11 stories originally, but before we even got the building started, it was totally rented out and there was another bunch of people that wanted to get in, so we added four or five more stories on the plans and the next was four or five more and it was up to 18, 19, 20 and when we finally built it, it is either 29 or 30 stories. The building is almost finished now except we now know we are going to need another building because it is already full and we have another big list of people that want to get in to do business. We are building a second world trade center I guess across the street in the next block.

The minute we got all the ships coming in, then we had to bring access for the trucks. We had a highway but there was not enough room. So we built a better freeway. But with all the business, then everybody started using the highway and so just a few weeks ago, I had seven of the big companies say you have got to correct this. It used to take us an hour to get into Los Angeles to unload this stuff and put it on trains or whatever and now it takes us 2½ to 3 hours with all the congestion. They also mentioned that they pay their truck drivers $25 an hour or something and if you pay a guy $25 an hour to go on a trip that normally takes an hour, but now it takes two and a half to three hours, you have got to add the cost to the products you are trying to sell, and that is why they cannot compete with what is going on in other countries.

It so happened we opened up a rail line that we hope is going to get the people off that highway into trains. I think we have got to take a look at this nationwide and come up with some answers to highways and bridges and water and everything else.

Mr. Lewis. Thank you, Mr. Chairman. We only have the Chattahoochee here and it is really hard to get big ships through the Chattahoochee.

The Chairman. That must have been the ones I had the hearings on yesterday that had the deep channel.

Would you like to comment?

Dr. Ross. I have one response. I worry a great deal—to take your analogy, a good, comprehensive transportation planner would have looked at, I think, the strategy where you could move certain sizes or commodities via the little ferry to make sure we use that to the maximum extent possible and then set aside those kinds of commodities or containerizations that could only be used for 45-foot deep channels.

I think sometimes we do not think about that sort of a short-range strategy. We are always attracted to the glamorous and the expensive and sometimes I think to our detriment.

The Chairman. I think it is very good when I find a professor of transportation at Georgia Tech—you know, I do not remember any professors of transportation when I was going to school, but it is good we have got one.

Dr. Ross. Me too.

The Chairman. Any other comments?

[No response.]

The Chairman. If not, thank you very, very much.

We have a fourth panel—I am told we are going to try and follow a schedule where we will finish up this panel about 11:30 and the DBE panel by 11:50 and our water needs panel by 12:10.

Our next panel is composed of Mr. Ken Gregor, General Manager for Metro Atlanta Rapid Transit Authority; Mr. Robert Remar representing a citizens group called CAUTION; Mr. John Martin, Esquire of the National Railroad Passengers Association and Mr. Sam Massell, President of the Buckhead Coalition. We have all four of you, so we can start in that order, if you wish.

TESTIMONY OF KEN GREGOR, GENERAL MANAGER, METRO ATLANTA RAPID TRANSIT AUTHORITY; ROBERT B. REMAR, CITIZENS GROUP, CAUTION; JOHN R. MARTIN, NATIONAL RAILROAD PASSENGERS; AND SAM MASSELL, PRESIDENT, BUCKHEAD COALITION

Mr. **Gregor**. Thank you, Mr. Chairman.

First of all, let me identify who I am, I am General Manager of MARTA. MARTA, of course, is an agency that you are familiar with and certainly our two Congressmen are familiar with.

Basically what I want to do today is simply address a couple of our major concerns. First, I want to point out that the continued federal partnership is essential to mass transportation. There is no question that the MARTA system which now provides 30 million bus miles and has 30 miles of rail and 29 stations, could not have been approved and operated without a strong federal partnership and commitment to this metropolitan area.

Dr. Ross and Phil Boyd identified some of our transit needs. What I would like to address is our concern dealing with the reauthorization act.

A level playing field was established through the Surface Transportation Act of 1982, which established the federal government's role in the area of public transit. That Act basically did two things to establish the level playing field. First, it provided one cent of the federal motor fuel tax to be dedicated to transit and thereby ended the vastly unequal competition for funds between transit and highways.

Second, it established the Section 3 discretionary funds to be apportioned on a 40/40/10/10 percentage basis. Forty percent going to meet the needs of the eight older cities for rail mod, 40 percent to the new start cities and ten percent to bus systems and ten percent for discretionary allocation. This level playing field has worked well for MARTA and the Atlanta region's transit needs. While some minor adjustments in this reauthorization may prove necessary, major changes I would hope should be made sparingly.

I appreciate the opportunity of pointing out these two items to you—the continued federal role and the reauthorization process, and thank you for being permitted to attend this morning.

The **Chairman**. Next on my list is Robert Remar.

[The prepared statement of Mr. Gregor appears on p. 1094.]

Mr. **Remar**. Thank you, Mr. Chairman, Congressman Lewis, I am here on behalf of CAUTION, which is a non-profit community based organization composed of neighborhood associations here in Atlanta. I would imagine that many times you have group coming before your committee asking for Federal aid. My group is coming here asking for federal aid not to be used to construct a limited access highway known locally as the Presidential Parkway.

Presidential Parkway is a highway of 2.2 miles that would go from downtown Atlanta to the city limits in De Kalb County, which would disrupt seven historic districts here in this district and would damage four city-owned parks including two of national historic significance.

With the Committee's permission, we have a videotape that we would like to show you, which shows the devastating effect on local communities of unneeded highway projects, specifically in the Inman Park Community. And here is the videotape right now, Mr. Chairman.

[Whereupon, the videotape was shown.]

Mr. **Remar**. Mr. Chairman, there is more of the tape, but in the interest of time, I think that sets out what the problem is. This land, which is 219 acres of now-vacant right-of-way is being held hostage on a federal aid project that the community does not want, the City of Atlanta opposes, De Kalb County opposes, all the neighborhoods oppose. It is not needed and we would suggest that these limited federal resources be used for other important infrastructure needs in the Atlanta area.

Thank you, Mr. Chairman.

The **Chairman**. Do we have a copy of that tape?

Mr. **Lewis**. No. Could a copy of that videotape be submitted for the record?

Mr. **Remar**. Yes, sir, we can make a copy.

The **Chairman**. It will be made part of the record, yes.

Mr. **Lewis**. Thank you, Mr. Chairman.

The **Chairman**. Mr. Martin.

[The prepared statement of Mr. Remar appears on p. 1178.]

Mr. **Martin**. Mr. Chairman, I am John Martin. Thank you for this opportunity to join you and Congressman Lewis and Congressman Jones. I represent the National Association of Railroad Passengers, which is a non-profit, consumer-oriented organization which for 23 years has been promoting balanced transportation.

Our Association's primary goals are improvement and expansion of rail passenger service of all types, increased support for mass transit in general and equitable treatment of freight railroads versus their competitors. When I talk about equitable treatment, I am talking about, among other things, trucks and water carriers that should be required to pay 100 percent of their infrastructure costs, as do the railroads currently.

As a nation, we continue to ignore and to place at a great competitive disadvantage, one of our marvelous resources—that being our railroads. And I think we now need to focus on the need to tap that resource, to put it on a level playing field and to take advantage of the benefits that it can give us.

The Iraqi invasion of Kuwait focuses on this very much. It points out again that we are relying on almost 50 percent of our oil from foreign sources. We are thus using oil which we are dependent on others for its access. The Oak Ridge National Laboratory has indicated that air lines use almost twice as much energy per passenger mile as the railroads. They have also indicated that trucks use over four times as much energy per freight ton mile as do the railroads. And I think those figures in themselves show the need for placing greater emphasis on the railroads.

We are not suggesting that we force Americans out of their cars. We are suggesting simply that public policy incentives to overuse of the automobile be revisited and be adjusted so that the other modes can be used to a greater extent. Americans have demonstrated very convincingly that they will use rail transportation and mass transit if it is made available to them.

Now how do we accomplish this? Clearly we need changes in policy because too many transportation decisions today are mode-specific. They are not made on the basis of what is best for transportation needs, they are made on the basis of who has the money or who can get the money. State and local transportation investments are heavily influenced by the availability of federal funds. As one state rail official told our executive director, the first question they ask when I go to the state capitol is "how many federal dollars will your project get us". So far, the answer for most railroad projects is "none". The policy needs to be changed to make funding available on a transportation basis, not on a mode-specific basis. If we had those changes, Atlanta would benefit greatly.

The initiation of a Chicago-Atlanta-Florida rail passenger service, something that is being supported very actively by the Atlanta Chamber of Commerce and by our members would be enhanced, the opportunity for that service would be made much more realistic and I think the service would start much sooner. Lack of federal funding may be a key reason why nothing so far has come of Georgia Rail Passenger Authority Act and if Atlanta gets the 1996 Olympics, a lot of the water events will be conducted in the Savannah area. We have no rail transportation system between Atlanta and Savannah today to move passengers and that would be a severe embarrassment, not only to the City of Atlanta, but to the State of Georgia as well.

Looking at mass transit, a sophisticated center such as Atlanta needs a diverse selection of options to be operated by MARTA. MARTA's single-technology heavy rail system cannot do the job alone. Some Atlanta bus corridors and some potential corridors that are developing in this area would be much better served by light rail which would combine the strong image shared by all rail transit with the ability of the bus. Commuter rail should be offered to the residents of this area using existing rail lines.

Mr. Chairman, as you know, a growing number of Americans have realized that more roads and more lane miles are not the answer. In Los Angeles where they have built more roads than any other metro area in the world, we probably have what is the world's worst transportation system. The brightest hope in Los Angeles is the recreation of a rail transit system that was destroyed nearly three decades ago, and as you know, Mr. Chairman, Californians and Los Angeles citizens voted this summer to tax themselves to support more inter-city rail and more mass transit projects.

Thank you for this opportunity to present our views.

The CHAIRMAN. Mr. Massell.

[The prepared statement of Mr. Martin appears on p. 1153.]

Mr. MASSELL. Mr. Chairman and members of the Committee, I am Sam Massell, I am President of the Buckhead Coalition and former Mayor of the City of Atlanta. I appreciate the invitation to appear and testify before you.

The Buckhead Coalition is a non-profit organization composed of chief executive officers of major firms in the north Atlanta community of Buckhead. Our mission is to foster orderly growth of Buckhead as well as to protect and enhance its quality of life. We believe that access to and through this area and the mobility of our citizens is of utmost importance. Our organization is presently working with the Metropolitan Atlanta Rapid Transit Authority, MARTA, of which I serve as a Board Member, to coordinate the development of the new Buckhead station. We also intend to undertake a feasibility study for constructing a monorail people mover system linking the Buckhead and Lenox MARTA stations with major employment, retail and hotel facilities within Buckhead, about which I wish to talk with you today. In addition, our organization is in the initial stage of organizing for preparation of a long range (20-year) plan for the full 28 square mile Buckhead area, which will incorporate these transportation issues.

Buckhead has been identified as a suburban downtown. In addition to the 58,000 residents in this community, we have 70,000 jobs and an estimated day time population of 115,000 people. In the past decade, Buckhead has accounted for 40 percent of all new jobs and 70-percent of all population and housing growth within the City of Atlanta.

Presently, the commercial area of Buckhead contains approximately nine million square feet of offices; four million square feet, about 1,000 units of retail and 4,000 hotel rooms. Well over half of all commercial and office development in Buckhead is less than ten years old. Land assemblages and multi-use developments already zoned suggest an additional ten million square feet of offices, an additional one million square feet of retail, an additional 1,800 hotel rooms and 2,000 apartment and condominium units over the next decade.

We recognize the absolute necessity of an adequate infrastructure improvement program for the continued growth and livability of expanding urban areas such as Buckhead, and this morning we would like to relate one of these needs and make a specific request for assistance.

Transportation is a basic infrastructure of course, usually but not always provided by government. In the case of Buckhead, transportation includes both roadways for automobiles, buses and trucks; traditional rail for AMTRAK and rapid rail for MARTA. At this time, construction is underway on the extension of Georgia 400, a limited access state highway and the MARTA rapid rail north line. In all likelihood, this will be the last new arterial road constructed in Buckhead for the foreseeable future. While this road will relieve substantial traffic on existing neighborhood surface streets, it serves primarily to bring people into the business center. The major future need then will consist of integrating transportation modes and providing internal circulation within the Buckhead high-density area.

We believe that a monorail people mover has the most potential to both improve internal circulation and to integrate transportation modes within Buckhead. The downtown core of Buckhead is rapidly achieving urban densities within a wide array of land uses, including office, retail hotel and multifamily residential development. The density and quantity of development, combined with the ability to integrate auto, bus and rapid rail transit modes gives Buckhead the ability to serve as a national demonstration project, illustrating the use of mass transit technology to achieve suburban mobility and to showcase both a private initiative and a public-private partnership.

In view of the transportation needs and opportunities within the Buckhead commercial core area, we hereby respectfully request that this area be considered for a demonstration project. This would consist of a transportation study which would address the following issues: Project patronage of a monorail people mover, conduct both concept and preliminary engineering studies, develop a preliminary route and determine right-of-way needs, develop a phasing plan and cost estimates for each phase, develop a financial plan for payment of both construction and operational costs, and develop a consensus among the affected parties for an adequate formula to support the system financially.

We anticipate that a major portion of the construction and maintenance will be borne by owners of commercial property within the people mover corridor. The State enabling legislation for a self-imposed special tax district is in place, and our preliminary estimates suggest that financing could be achieved with a reasonable office and commercial rental increase of approximately 50 to 60 cents per square foot per year.

We have reviewed our proposal with the Atlanta Chamber of Commerce and MARTA with supportive responses from both, and we are pleased to announce the co-sponsorship of this undertaking by the Atlanta Regional Commission, the legally designated transportation planning agency for the Atlanta region.

We estimate the costs of the study to be approximately $150,000 to $175,000 I believe that the study can be completed in approximately 10 to 12 months. We hereby request respectfully that the Committee on Public Works and Transportation request funding for this specific study, preferably from funds appropriated in the current fiscal year, 1990.

We thank you for this opportunity to address the Committee and will be pleased to provide any additional information you may desire.

The CHAIRMAN. Thank you, gentlemen.

[The prepared statement of Mr. Massell appears on p. 1158.]

The CHAIRMAN. I do not have a question, but I have a comment. Mr. Remar, let me say that in John Lewis, you have a strong opponent of the Parkway. Ben Jones is also opposing the Parkway, and this morning I had an opportunity to meet with a number of local residents opposed to the project. So there is no question that your views and those of CAUTION are well represented and articulated in Washington.

Is there anything more that either of you would like to comment on?

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Remar, let me just ask you one question. What is the projected cost of the proposed Presidential Parkway. When I sat on the City Council it was a certain amount and I am sure the cost probably has escalated some during the past few years. Can you tell members of the Committee and the Chairman particularly what is the projected cost?

Mr. REMAR. Congressman Lewis, the construction costs are between $34 and $40 million. The right-of-way—the value of the right-of-way that would be used is between $16 and $18.5 million. And in addition, the downtown connector stub, which I believe you saw, had to be reconstructed at a cost of approximately $48 million. So that the cost of this 2.2 mile limited access highway is somewhere between $58 and $80 million. We estimate about $36.5 million a mile. So it is an extraordinarily expensive road and one that I must say that even when it was proposed had a very marginal traffic need. Traffic volumes are down, we do have the MARTA east rail line and with I think surface improvements in the area, signalization improvements and intersection improvements, the traffic needs of this area can very well be met without it.

Mr. Lewis. Thank you.

Thank you, Mr. Chairman. I yield back my time.

The Chairman. Congressman Jones.

Mr. Jones. Thank you, Mr. Chairman.

I too would like to make a few comments. This has been a very diverse panel but it all makes a lot of sense when you start looking at the big picture. Once again, talking about preaching to the choir, I go on and on about rail travel and everybody who knows me knows that I am a rail advocate and in MARTA there is no finer system in the country, and we need to continue to do all we can to expand and enhance MARTA's effort.

Mr. Martin, I could not agree with you more, and I think we need—whenever we talk about any kind of comprehensive planning for our transportation needs in this region, we need to talk about commuter rail, we need to start talking about mag-lev technology, we need to start talking about the expansion of other AMTRAK routes, and to make that our cause. Because without it, we are simply not going to continue to grow. With Mayor Massell coming in with—I think the federal government ought to be able to come up with $175,000 frankly, Mr. Mayor. You have certainly got an advocate in me for that project and I am sure in Congressman Lewis also, Mr. Chairman.

But when we start talking now about inter-modal and how all this connects up, and I appreciate Mr. Remar being here because one thing that is often forgotten in this I think is not just moving people around, but the quality of life of the people in our neighborhoods. And we have to have their input and we have to be responsive to that as we continue to grow because after all we are simply a city of people. This is a city with great neighborhoods, and I think as we face these problems comprehensively that is perhaps the most important part of the mix.

So I just want to thank all the panelists for bringing—giving up their time and coming here and I very much appreciate it.

Thank you, Mr. Chairman.

The Chairman. That is why we do these hearings, so we can get views from people out there and know what we should and should not be doing. So thank you very much.

Our next panel, our fifth panel I believe, represents disadvantaged business enterprises. Mr. Brad Hubbert, Fifth District Representative from the Georgia Department of Transportation; Mr. Pelham Williams, President of Williams, Russell and Johnson; Mr. Hal Rives, Commissioner of DOT and E.R. Mitchell, Jr. of the E.R. Mitchell Construction Company.

We put your name down, you sit by it and we will know who is not here. Mr. Rives, Mr. Hubbert and Mr. Mitchell. I guess the one that I called that is not there is Mr. Pelham Williams, the President of Williams, Russell and Johnson—he is the one missing. So we have Brad Hubbert, Hal Rives and E.R. Mitchell, Jr. Do you want to start your testimony off in that order, or do you what to do it differently?

Mr. HUBBERT. I will yield to the Commissioner.

TESTIMONY OF HAL RIVES, COMMISSIONER OF GEORGIA DEPARTMENT OF TRANSPORTATION; BRAD HUBBERT, FIFTH DISTRICT REPRESENTATIVE FROM DEPARTMENT OF TRANSPORTATION BOARD; AND E.R. MITCHELL, Jr., E.R. MITCHELL CONSTRUCTION CO.

Mr. RIVES. Thank you, Mr. Chairman.

If I could have your indulgence for one moment—I am here to talk about DBE but since a project that is very near and dear to my heart and is awfully important to the Atlanta region, is part of the Atlanta Regional Commission transportation plan for the Atlanta region, part of the transportation improvement program, has been brought up, I ask your indulgence, after I finish with DBE, to make a few comments on it and also to submit something for the record on the Presidential Parkway.

With respect to DBE—Mr. Chairman, members of the Committee, welcome to Georgia. It is an honor and real pleasure for me to appear before you to talk about transportation issues. But I am going to limit it just to DBE.

Let me speak about the DBE program. The Department presently has some 235 firms certified as disadvantaged business enterprises. Of that number, 177 are contractors, four are consulting engineering firms and 18 are suppliers.

The Department also has some 98 firms certified as women's business enterprises, WBE. This consists of 75 contractors, seven engineering consultants and 16 suppliers.

Since 1975, the Department has been committed to minority and female business participation in its construction programs. The present DBE goal, disadvantaged business enterprise, is 10 percent participation on federally funded construction work. In 1988, our overall DBE percentage was 10.9. It was 10.75 percent in 1989 and is projected to be 11.2 percent in the current year.

Although the Department is pleased with the achievements that have been made in the disadvantaged business enterprise program, we have experienced and noticed an alarming trend in recent years and this trend is not just in Georgia, it is in the whole bank of the southern states and probably nationwide also. This trend was caused by in the 1986 Act the merging of the MBE, minority business enterprise programs, and the WBE, the women's business enterprise programs, into one program called the disadvantaged business enterprise program. In this State, which has a large black population, this trend I am going to describe to you is alarming and we feel that remedial action is called for.

The trend is that the volume of contracting and subcontracting by minority business enterprise firms is decreasing while it is increasing for the women business enterprise firms. To illustrate this point, after goals were combined in the 1986 reauthorization act, in 1988, minority business enterprises received 8.8 percent of the total work and 3.4 percent went to WBEs. In 1989, 6.2 percent went to MBEs and 4 percent to WBEs. To date in 1990, 5.7 percent has gone to minorities and 6.3 percent has gone to the female firms.

As you can see, this trend continues and we strongly urge that in the new reauthorization act, that the goals for the two categories, minority business enterprise, and women's business enterprises, be once again separated and separate goals set for each one, so that we can continue with what was a reasonable and yet increasing program of black firms involvement in our federal aid programs. We think it is essential that we do that.

I was going to talk about such things as urban congestion, but my written testimony that I filed will do that, and to solve those problems, I recommend to you the AASHTO program that has been submitted to you, Mr. Chairman, for the reauthorization act.

Now if I may take just a moment to mention the Presidential Parkway. The estimate given by Mr. Remar of $80 million has about as much sense to it as most of their other arguments. It will cost $25 million. The right-of-way is already in hand. I did not hear anyone mention the fact that this has been fully litigated within the federal court system, all the way through the 11th Circuit Court of Appeals. It was also appealed by the plaintiffs to the U.S. Supreme Court and the U.S. Supreme Court refused to hear it. The 11th Circuit Court found a lot of things, but they found primarily the three most important things. After testimony by all witnesses who were examined by counsel, cross examined by the other counsel, so that—in an adversarial hearing where each party was represented by competent, capable, and very enthusiastic counsel—after hearing all that, the district court and the 11th circuit court of appeals found three things.

First, the project is needed. It is a regional project, it is included in the regional transportation plan produced by the Atlanta Regional Commission. They concluded it is needed.

Second, they concluded there is no way to satisfy that need without the use of historic lands and park lands. That conclusion had to be made in order to get by those problems.

Third, they also concluded that of the alternate studies, the one that was selected is the one that does the least damage to the park lands and to the historic properties.

I do not think that I have ever in my long years of being involved in federal legislation—I have seen lots of projects named to be built, to be constructed, in the legislation. I have never seen a project named not to be built. And we would hope that would not be the case with this.

I would like to submit to you a more full statement on this issue since it came up as a surprise to me, for the record.

The **Chairman**. Without objection that statement will be made part of the record.

Mr. **Rives**. Thank you, sir. That concludes my statement.

The **Chairman**. Mr. Hubbert.

[The prepared statement of Mr. Rives appears on p. 1196.]

Mr. **Hubbert**. Yes, sir.

Mr. Chairman, Congressman Lewis, Congressman Jones, Committee members, I am indeed delighted to have such an opportunity to testify on issues that have such a tremendous challenge. I am also a little disappointed that we have so little time to share so much information, information that could set policies for many years and even decades, which could affect so many lives.

I initially had two topics I had planned to discuss; one was on the infrastructure of the city, but in lieu of the time, I will spend most of my time discussing the second topic, which is DBE-MBE program.

This program has a special interest to me. The program I feel is first titled incorrectly. It probably should be titled the National Enhancement or Improvement to Equal Access to economic opportunity for all American citizens. That probably would be more applicable to the title—as a title for the DBE program. The reason I say that is because the benefactors of that program will be the American people in total, not just the MBE person or DBE or WBE.

Our federal government has considered closing down SBAs which is a program determined to help MBEs and WBEs. There has been discussion about not needing the DBE program, MBE program, WBE program because it is not serving its purpose or because there has been some abuse in the program. In most programs there are abuse. But we have yet to come close to reaching $500 billion abuse that has plagued the S&L program that we have and no one has mentioned closing down the S&Ls, no one has mentioned not bailing out the S&Ls, a program that served a lot of folks, but I think there are a lot more that are being served by the MBE, WBE programs also and I think it is a program that is worthwhile, that is truly needed.

In discussing the DBE-WBE program, there are several points I would like to raise and I guess, number one, is the justification of the program, do we need a program. And my answer to that is yes.

The second one is the structure of the program.

The third is the process criteria for qualification and certification for participation in the program.

The fourth is evaluation and monitoring of the program.

Fifth is the policy of establishing administrative incentive and sixth, penalties for misuse and abuse of both funds and programs.

Justification of the program—this is a much needed and very worthwhile program. If there is truly a sincere commitment to the program's success, the commitment is demonstrated in several ways. The appropriation of substantial and adequate financial resources, the structure of the program which gives complete identification of what is needed and how it should be laid out. And to echo what Commissioner Rives has said, the program definitely needs to be separated. There needs to be a DBE portion of the program, an MBE portion of the program and a WBE portion of the program. I am of the opinion that such a program is critically important and that little or no action on it would lead to physical confrontation in the future. Some place very deep in our country's Constitution is a statement that all citizens should have a right to life, liberty and the pursuit of happiness. And this clearly means that we have to have access to the economic opportunity to pursue those rights, life, liberty and the pursuit of happiness.

It is imperative that our leaders realize that a serious effort must be made to narrow the gap between the haves and the have-nots desiring to work with integrity in a just economic system. In my discussions with various entities in the construction industry, frequently the statement is made that if there was not a federal DBE program, we would not be using any MBE firms. And I believe this statement is a true reflection of the genuine sentiment that propose to omit the tremendous capabilities radiant in the minority community.

If you take a look at all of Georgia's state highway construction projects where there are no federal dollars being used, where there are no federal goals, and in the absence of a mandated goal, rather than establishing some kind of objectives for trying to achieve some parity as far as participation, in 98 percent of the goals, the projects that are done with state funds, there is less than two percent of minority participation in those goals. We need to address that issue, something should be done there also.

Something is seriously wrong with our national priorities when we can spend billions and billions of dollars and allocate some of the best minds to the space program, and still have major mistakes such as that of the Hubbell telescope, and yet cannot spend one billion on 30 percent or 40 percent of our population to make sure that they have equal access to economic opportunity in this country.

We are not talking about affirmative action, we are talking about equal access to the economic opportunities of this country. I am of the opinion that a soundly funded and administered DBE program would greatly enhance the size of our tax digest and significantly reduce our tax burden. More importantly, it would give each participating DBE a sense of meaningful participation in our nation's economy—and this is a powerful message. DBEs in Georgia share the desire with people around the world, whether East Berlin or Czechoslovakia. Recently major shifts in governments throughout the world have shown us that the average citizen wants to be governed under a democratic process—which means a government run for the people and by the people.

The global challenge of the future, as I see it, will be to determine which countries will successfully introduce the most productive and balanced democratic participation for all of its citizens, minority and otherwise, which countries will have the largest number of citizens being truly productive, feeling that they are truly important, because they are making a significant contribution to our society.

The structure of the program I alluded to earlier is that it should be in three parts; an MBE portion which I feel should consist of about 12 percent, a WBE enterprise should be in the neighborhood of eight percent and a disadvantaged business enterprise goal should be set at five percent.

Under each section there should be strict guidelines for qualifying. There also should be consistent interpretations of what constitutes a person being eligible for these classifications.

There should be a well-defined bond assistance program in place to help those persons in the DBE program who are successful contract awardees.

Operating capital. There should be a well designed program to provide short term loans and lines of credit for those persons.

Minority contractors, for the most part, cannot find or do not have access to sufficient operating capital. Furthermore, if they are successful in finding capital, it is frequently so expensive that interest costs consume all profits by the end of the contract.

In addition, most of these contractors are in a sub-contracting position or even a sub-sub-contracting arrangement which prevents most lending institutions from extending credit on the contract.

In many cases, the prime contractor will hold the sub-contractor's money even after the prime has been paid and after the subcontractor has successfully completed the contract.

Therefore, if we are serious about a program, we need a program that includes all components necessary to address and remedy the above concerns. A healthy functioning business is similar to a human being. It consists of three major components—the inspired and thinking brain, the working and productive physical body and the spiritual soul. In business, we need the inspiration and motivation provided by a dynamic access to economic opportunities (similar to the brain), the access to capital which provides the wherewithal to be productive (similar to the body), and the access to bonding which guarantees integrity (similar to the soul).

In the past, we have been supplied piecemeal with these various components with one or more frequently missing or poorly developed. We must commit to making the program robust and healthy by providing all of these at the same time.

The process and criteria for qualification and certification—there should be very definite and specific guidelines for participation in the program. These guidelines should follow the definitions of MBE, WBE and DBE before being certified with DOT.

A company should be in business for a minimum of one year, preferably longer.

A company should perform a minimum of $50,000 of construction in a related field.

There should be day-to-day operations by the head of the company who must demonstrate genuine and meaningful participation on a day-to-day basis. The person must be evaluated on a day-to-day basis that they must have a thorough working knowledge of the entire operation. They must be involved in the day-to-day decision-making process. Their participation cannot be limited to being listed as owners on stock certificates and as a signatory on a bank account.

These standards serve a specific purpose—they eliminate the practice of establishing front companies overnight after contracts are awarded and before contracts commence.

You have the rest of my written testimony which goes on to deal with the evaluation. There should be personal reviews and we need funds and commitment to make sure that takes place. And in my summary—I will go on with the summary since time is of the essence, but I think our focus is on helping MBEs and I do not think that should necessarily be the focus. There are many other reasons that are much broader and more in depth than just helping the MBE, WBE.

I think it would have a significant benefit to the country, such as well it will reduce the number of persons in the unemployment line, will reduce the number of persons on welfare, will reduce the number of persons that probably are incarcerated, will reduce the number of problems that we are having with crime and we will truly redistribute the tax burden. A program which delivers all these benefits is truly a program where every American citizen will be the benefactor. These are the reasons I feel that a DBE program is a must, not later but now.

Mr. Chairman, in closing, this is my second such committee hearing this year and I am reminded of a lone voice crying in the wilderness for help and the only sound that is heard is the echo of his call. We are hopeful that some serious action will be taken in consideration of the DBE-WBE program and that our voice is not an echo in the wilderness.

Thank you.

[The prepared statement of Mr. Hubbert appears on p. 1121.]

Mr. MITCHELL. Mr. Chairman, let me start off by saying that we in the State of Georgia are very proud of our very distinguished Congressman John Lewis, who is doing a fine job in service to our state.

My name is E.R. Mitchell, Jr., I am President of E.R. Mitchell Construction Company. I am also President of the National Association of Minority Contractors, Atlanta Chapter and also the Secretary at the national level.

In the interest of time, you have my testimony, I just want to make a few points here. I wanted to state formally that the NAMC, National Association of Minority Contractors, supports your goals and their continuance. There is a problem in our society because of the fact we need goals, and we need goals because we are shut out of the private sector—it is closed to minority firms.

In terms of employment and business discrimination, I think if you were to look at our industry, the construction industry, you would find it was widespread. In terms of business opportunity, the majority of general contractors tend not to seek out or employ minority sub-contractors on large—or small—non-government jobs that do not have goals on them. In terms of employment, I challenge you to walk right here in the streets of downtown Atlanta and look at any major project, any medium-sized project, any small project on which a majority contractor is doing work, and you will not find not one black superintendent, go into offices and I challenge you to find one black project manager in the City of Atlanta that is working for a major firm. And I do not think you would find any estimators. And that is the same with female individuals.

The CHAIRMAN. Could you speak a little bit louder?

Mr. MITCHELL. Is my mike on?

Is that better? Okay.

And also the public is always complaining, or some individuals in our country, our society, are complaining about goals for minority participation at the national and local levels. But these same individuals seem to accept the major set-asides for the—for companies such as Lockheed, such as McDonnell-Douglas, such as General Dynamics. And these are set-asides and not goals like with minority firms.

I echo Mr. Hubbert's concern and statement about enforcement of minority participation goals. We at the NAMC would like to see penalties involved and incentives. For example, an incentive can be for a GC that meets a certain goal, we can go to—the government can go to that individual and say we will pay you every two weeks as opposed to on a monthly basis, to help you and your sub-contractors.

We support S. 1235, a bill introduced by Senator Paul Simon, and the legislation introduced by Representative John Conyers, the Economic Equality Act of 1989, as well as other congressional efforts intending to reverse the negative impact of CROSON.

On bonding, minority contractors continue to be denied meaningful access to surety bonding, particularly in the corporate surety market. And this is a widespread problem. We would like to see some of these corporate sureties penalized for not having minority companies listed as one of their customers. They do not keep those records. We have asked for those records before regarding the percent of minority business you have, and they do not keep those numbers. They also do not have any standard criteria for turning companies down. It is all—if you go to a company and you ask for bonding, they can turn you down because they do not like your shoe size or you do not have $15 million in the bank, but when they go to the next individual, it is a different story. They can have $100,000 in the bank and the biggest feet that you have ever seen and they get bonding. There is no method to their madness, no criteria by which all applicants are judged.

We would also like to see the SBA double their bonding on any single one job. I think right now it is about $1.2 million. It would be nice, and it would help out not only minority companies but small business throughout the country if we could double that to about $2 million.

And last, we agree with Mr. Hubbert and Mr. Rives about the ten percent disadvantaged enterprise goal, it should be separated based on female companies and minority companies.

Thank you for your time.

[The prepared statement of Mr. Mitchell appears on p. 1162.]

The CHAIRMAN. Thank you very much.

At yesterday's hearing, I made the point that infrastructure is not just highways or just aviation or just water, it is all the systems working together as one. Likewise when we talk about who does our infrastructure work, we must find ways for active participation by disadvantaged business enterprises, by all.

Now you have touched generally on some of your concerns. However, if I would ask you to single out the one key issue of importance when it comes to DBEs and infrastructure—that is disadvantaged business enterprises—and infrastructure, what would that be?

Mr. MITCHELL. I would say that there are two—I am sorry, I apologize——

The CHAIRMAN. OK.

Mr. MITCHELL. One would be——

The CHAIRMAN. You can have two, that is all right, one or two.

Mr. MITCHELL. I would say that having goals in place and goal enforcement would be number one. And number two would be to help minorities rectify this bonding problem. There seems to be some type of conspiracy nationwide and we cannot go through conventional sources to obtain bonding and are not subjected to the same criteria as our fellow majority companies.

The **Chairman**. We had a bill-signing program at the Capitol, I guess a couple of weeks ago now, on the DBEs and there were several thousand people there and not one of them mentioned bonding. There were other things they mentioned, but—and of course the President signed the bill and we passed a bill that was pretty well approved by the disadvantaged community. They applauded when we passed the bill and they applauded when the President signed the bill. But then I went out and met with I guess at least two or three thousand and not one of them mentioned that issue, so I would like to have you kind of elaborate a little bit so I know what it is.

Mr. **Mitchell**. Yes, sir. Right now I think that there are a couple of bills that are being worked on by members of the House. One is the bill by Representative Cardiss Collins and that is a bill that would address the acceptance of individual sureties by the federal government. There is some question about whether or not those bonds—whether or not they will be accepted, and minority firms have had to resort to individual sureties which charge between three and five percent of the contract amount.

There is also another bill, I think that—I do not know where it is right now, but there is a bill somewhere in the Senate, I know that Senator Nunn was apprised of that bill, to provide some bonding for minority firms that was separate and apart from the SBA bonding program. This was an effort to get corporate sureties to participate in such an effort.

And lastly on the SBA front, there has been a continuing problem of corporate sureties to participate in this program. We see a lot of sub-standard companies and the corporate surety's sub-standard arm participating in this program, but since the bonds are guaranteed 80 to 90 percent, they are indemnified, we cannot understand or do not understand why they refuse to participate.

The **Chairman**. Mr. Hubbert, do you want to comment on that?

Mr. **Hubbert**. Yes, sir, Mr. Chairman.

Some of the problem as it relates to bonding is that in a lot of cases, most of your small DBE firms have not had the need for bonding, so that the project that they have been given has been below the level that a bond has been required. In other cases—in some cases the prime contractor will, if he has a good enough relationship with a particular DBE, he will underwrite the bond, so I would surmise that the group that was up there was just trying to make sure there was a goal first and probably will come back later and say "we have got the goal, now we have got the business, but we cannot perform because we cannot get a bond". That would be my input on that.

Mr. **Mitchell**. Just one quick comment for your information. The bill that is being worked on is a House Bill and it is the Surety Association Act of 1989, it is H.R. 4179, and based on our testimony before Representative Conyers' Committee, he was going to include some legislation—our understanding was he was going to include some legislation in his proposed bill also on the bonding issue.

The CHAIRMAN. Mr. Lewis.

Mr. LEWIS. Mr. Chairman, let me just thank members of this panel, Commissioner Rives, Mr. Hubbert and Mr. Mitchell for bringing to our attention in such a dramatic way the problems and issues concerning disadvantaged business enterprises. I know you as Chairman and other of our colleagues on the Committee when we get ready to reauthorize the legislation next year, will give this concern serious consideration.

I just want to thank these gentlemen, this panel, for bringing it to our attention.

The CHAIRMAN. Mr. Jones.

Mr. JONES. Mr. Chairman, I just want to echo Congressman Lewis' comments and thank the panel also. This is something that we have discussed in the past and I think it is still to be addressed and hopefully in the near future will be aggressively addressed.

Thank you.

Mr. LEWIS. I would like to ask the Commissioner one question for the record. Mr. Commissioner, as it relates to the Presidential Parkway, it is true that all of the political subdivisions, the main one being the City of Atlanta, the Mayor, members of the City Council, have opposed the construction of the Presidential Parkway as projected, as planned.

Mr. RIVES. I guess you would have to look at what time is involved in that. When Andrew Young was Mayor, we entered into a contract with the City of Atlanta, which was ratified by the City Council, to construct the Presidential Parkway and to construct the totality of the Mayor's plan which was a housing component and the Parkway component. So at that point in time, no, they were not against it.

Now at another point in time, they became against it. You know that was an issue that was litigated too. The Georgia Supreme Court said that they could not draw away from it because they had approved it and committed significant resources based upon that approval.

Mr. LEWIS. Thank you, Mr. Commissioner.

Thank you, Mr. Chairman.

Mr. MITCHELL. May I make one brief request? May I submit a resolution from the National Association of Minority Contractors into the formal record to you.

The CHAIRMAN. As far as I am concerned unless there is objection.

Mr. LEWIS. No objection.

The CHAIRMAN. So ordered, it will be included.

Any further comments. I missed you a moment ago, Mr. Rives, do you have anything you want to say?

Mr. RIVES. On DBE I would echo Mr. Mitchell. I think that after the goals—because we were meeting the goals with the black firms and we were beginning to exceed the goals when the 1986 act came along. I still think that is extremely important. The bonding is a serious problem.

Mr. HUBBERT. Mr. Chairman, there is no question—I want to be the third one to echo that also. The goals are important and the separation of the goals and bonding.

The CHAIRMAN. Thank you very much for bringing this out and I will ask these two gentlemen on each side of me to explain a little bit more and tell me the significance of it.

Our last panel today consists of representatives of issues surrounding water treatment and sanitation. Mr. Robert Gerber representing Atlanta Chamber of Commerce Task Force on Water Quality and Ms. Odessa Wheeler, Community Activist for the Community Flood Control of Proctor Creek.

We can start either way, Ms. Wheeler or Mr. Gerber. Ms. Wheeler, why do you not start? Ladies first.

TESTIMONY OF ODESSA POPE WHEELER, COMMUNITY ACTIVIST, COMMUNITY FLOOD CONTROL OF PROCTOR CREEK AND ROBERT E. GERBER, ATLANTA CHAMBER OF COMMERCE, TASK FORCE ON WATER QUALITY

Ms. WHEELER. Well since he had a long speech, I was going to let him go first.

Distinguished panel and friends present today, my name is Odessa Wheeler, I am a community activist. I live in the northwest area and a little bit about my life is attached to my presentation.

I would like to say that in this presentation, as you can see in my presentation, I think everybody in here that is connected with the City of Atlanta knows about Proctor Creek and if you have not read my presentation, I would like to just go over it with you briefly because I believe in making it short and to the point.

As I was stating, I have resided in the northwest community for the past 29 years. Proctor Creek has been and is the number one pressing problem confronting these communities, which are named above, which is communities consisting of both black and white residents. It has always been a mixed area for over 126 years and it is known as the northwest Browntown area, Scott Crossing, Riverside and Whittier Mill Village, Bankhead Highway and Bolton Road surroundings. We came into the city limits in 1952.

It has been the number one pressing problem confronting these communities. Each year before and after the development of community block grants for capital improvements, these communities have begged the City of Atlanta for treatment of the horrible odor and the overflowing of Proctor Creek, along the Hollywood Road bridge and residential backyard washout of the Clarissa Drive, N.W., located in the 221 housing units; 221 houses are those houses that were built for urban renewal by the City of Atlanta in 1961. Some days you must completely close all windows if you are allergic, or to eat.

After the loss of lives, two from one family (over three children), one was never recovered, the community still received no help. Proctor Creek and its territories cross state and county lines. We know Maddox Park on Bankhead Highway is the beginning somewhere near or on the boundary of Southern Railroad branching off at different places until it reaches the Chattahoochee River which enters the Mississippi and terminates at the Gulf of Mexico.

Flood plains, storm and sanitary sewers, streets, highways and bridges has not changed the characterization as it relates to a poor community after admission into the city limits in 1952.

Not only does the community suffer from a polluted creek, but more landfills per community in the City of Atlanta.

And I have respectfully submitted this to you.

To correct this problem, we have always been told that this would cost millions of dollars, and which they said that the city could not allocate this type of money. During the time that Senator Leroy Johnson was our Senator, he did do some type of excavation along Proctor Creek that did stop some of the overflowing in the homes. And if you will go along the Clarissa Drive area, you will see the homes are washed out and in a couple of years they will not have any backyard because it has almost completely destroyed it.

The industrial growth in our community continues to grow. The sewerage tax has not met the needs of the community. So we are asking if you could go back to Washington and see if something could be done about this problem.

Thank you.

The CHAIRMAN. Mr. Gerber.

[The prepared statement of Ms. Wheeler appears on p. 1249.]

Mr. GERBER. Mr. Chairman, Mr. Lewis, Mr. Jones, I wish to respect your time constraints and my remarks will in fact be brief. But if you would allow me to present to you my written comments, I would deeply appreciate that.

The CHAIRMAN. You and everyone, your written comments will be printed in their entirety.

Mr. GERBER. Thank you, sir.

I am Chairman of the Metropolitan Atlanta Chamber of Commerce Water Quality Task Force. And of course on behalf of the Atlanta Chamber of Commerce I wish to thank you, Mr. Lewis and Mr. Jones, for the invitation to testify before this Subcommittee.

Today I wish to address water quality issues related to the infrastructure needs of the Atlanta region. I am testifying as a concerned businessman and former county public works and planning director. I became involved with Chamber activities related to infrastructure improvement years ago, feeling that private sector cooperation, input and financial support is vital to an effective infrastructure system.

As the Chairman of the Water Quality Task Force, I oversaw the development of the Chamber's Long-Range Planning Development Program and Document. The report addresses many pertinent concerns related to water quality in the Atlanta region appropriate for support by the Atlanta business community.

Water quality and economic development are inextricably linked. And as you alluded to much earlier this morning, Mr. Chairman, the capacity to attract and sustain new jobs, new homes, safeguard the public health and enhance regional recreational resources are factors in the struggle to maintain an effective, equitable system of water quality, management and an attractive quality of life.

It is unquestionable that Atlanta and all of the jurisdictions adjacent to the Chattahoochee River must improve water quality in the river to secure an adequate water supply. Our downstream as well as all neighbors on the Chattahoochee have the right to expect a reasonable volume of clean water. Local, state and federal governments, business and civic interests must address and find solutions to improve water quality in our region.

The first item that I would like to just address briefly is nonpoint and wastewater treatment facilities, as they remain a potential source affecting water quality. Local jurisdictions in the entire metropolitan area may continue to experience temporary development and use moratoria over the next several years if growth exceeds plant construction schedules or if water supply standards are more restrictive. Many of the difficulties in meeting wastewater treatment capacity and quality arise from citizen opposition, growth pressures, changing water quality standards affecting the design, permitting and constructing lead time requirements, the service areas that are based primarily on political boundaries rather than natural drainage basins and of course adequate financing.

An additional water quality issue deserving aggressive attention is combined sewers. As you may know, over 1,700 cities in the United States are affected. Combined sewers are designed to carry both sewer water and storm water run-off in the same pipe.

Atlanta has eight combined sewer overflows, three of these facilities have been corrected and are currently being treated. The City of Atlanta is currently completing design to construct treatment facilities affecting the other five discharge sewers at an estimated construction cost of $60 million. However, I should point out that EPA has not, at this time, provided definitive regulations or standards concerning CSOs—combined sewer overflows.

There are several laws pending that could require municipalities to provide secondary treatment for combined sewer overflows. However, I am unaware of any of those provisions which provide any significant federal funding for the treatment or the development of—for the development of those systems or the treatment of those overflows.

I sometimes feel, from my perspective today, that the federal government seems to support the position that municipalities and states have the capacity to repair their facilities without federal help. But local officials tell me when faced with dwindling funds and angry taxpayers, they cannot.

Federal mandates are another serious burden on the local level. Particularly problematic are environmental regulations for water, wastewater and storm sewer treatment that require installing systems for nutrient and toxic removal, some of which cannot even be measured by local testing laboratories or equipment available on the market. Urban stormwater run-off has comparable water quality characteristics as the combined sewer overflows that we talked about just a minute ago. Yet the proposed stormwater discharge standards only apply to cities, knowing full well that a majority of what is occurring in our urban areas are outside our existing cities. Federal standards for trace toxins and stormwater quality must be attainable and of course measurable, as well as treatable. Federal and state governments must also look more seriously at the cost of what they mandate. The federal government must become at least a 50 percent partner through loans, grants, technical services or just an available pool of monies that in fact can be returned to a particular fund.

It seems unrealistic and unfair to reduce federal funds which affect a majority percentage of the population when they pay taxes which should assist at or in their local communities.

Cities and counties are exploring any and all new fiscal avenues as a matter of necessity. And Mr. Chairman, I think you alluded to that also earlier, that first look locally. Firsthand, I can tell you that local governments are trying to implement or at least address user fees, which Commissioner Lomax mentioned earlier, developer impact fees, special tax districts and levies which Mayor Massell mentioned earlier, short-term taxes and privatization, all are being used to generate much needed financing infrastructure on the local level. This, however, will not cover the funds needed if a federal mandate is not issued and we try to completely eliminate—if we try to completely eliminate stormwater discharges without federal assistance. The federal government must take a leading partnership role to financially solve this nation's problems in clean air—clean water, excuse me.

Mr. Chairman, I would again like to thank the Committee for this invitation and truly do appreciate the Committee's demonstrated interest in this very important area. Thank you very much.

[The prepared statement of Mr. Gerber appears on p. 1089.]

The **Chairman**. Congressman Lewis.

Mr. **Lewis**. Thank you, Mr. Chairman. I do not have any questions, just thank the members of the panel for being here and being willing to testify and being patient and waiting.

Thank you, Mr. Chairman.

The **Chairman**. Congressman Ben Jones.

Mr. **Jones**. Mr. Chairman, briefly yes, getting back if we could—and maybe Mr. Gerber, you might be able to give us some insight into this—getting back to this Proctor Creek problem. The Environmental Protection Agency, have they been involved in this, Ms. Wheeler?

Ms. **Wheeler**. They are involved in some parts dealing with the landfill, that is another problem there, with some of the local community groups, but not with the creek.

Mr. **Jones**. I just wanted to pursue that just a little bit more, but not at this time. I know our time is short, we have to travel down the road right now, but I do want to thank you both very much for taking the time to testify, and thank you, Mr. Chairman.

The **Chairman**. Well thank you very much.

Mr. Gerber, I have no questions but I want only to point out again the provision that Congressman Lewis authored and which will be on the House floor in September, to have the Army Corps of Engineers examine sewerage overflows into local creeks and the Chattahoochee River, as a necessary first step to solving the problem. I look forward to doing whatever I can to help John Lewis help the local community solve this horrible problem.

Do you want to comment on that, or what thoughts you might have?

Mr. **Gerber**. Mr. Chairman, we are truly grateful for the interest that Congressman Lewis has assigned to this particular problem, and the assistance at the federal level in defining the problem and securing a workable solution is truly important, and we very much appreciate the efforts of the Committee.

The CHAIRMAN. Do you have anything more?

Mr. LEWIS. No, thank you, Mr. Chairman.

Ms. WHEELER. Mr. Chairman, on behalf of the community—I will take liberty to speak for the community—I believe we would appreciate anything that anybody can offer, it does not make any difference where it comes from. And we certainly—if there is anything you need, we will be happy to support you 100 percent, and we would like to go on record supporting that.

The CHAIRMAN. The names are John Lewis and Ben Jones.

Ms. WHEELER. Thank you.

The CHAIRMAN. I would like to close by thanking all of the witnesses for testifying and for helping us better understand the infrastructure needs of this area, and I would especially like to thank Congressman John Lewis and his staff and the people of the Fifth District for their hospitality and their efforts to make this hearing a success, and I believe it has been.

The Committee stands adjourned. Thank you very much.

Mr. LEWIS. Thank you, Mr. Chairman.

[Whereupon, at 12:35 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY PRESENTED TO
REGIONAL HEARING OF THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES
ATLANTA, GEORGIA

August 8, 1990

BY
RICHARD ANDERSON, CHIEF FINANCIAL OFFICER, CITY OF ATLANTA

Good morning. I am Richard Anderson, the Chief Financial Officer of the City of Atlanta. On behalf of Mayor Maynard Jackson, who is unable to be with you this morning, I would like to welcome you to Georgia and to Atlanta, and thank you for giving us the opportunity to present to you some of our views on the infrastructure problem. In Atlanta we recognize the importance and necessity of cooperative effort by federal, state, and local governments to insure that cities are equipped to address the needs of their citizens, and we stand ready to do our part.

As a Financial Officer, I am always concerned that people sometimes have a narrow focus on infrastructure. Typically, infrastructure is thought of as sewer systems, wastewater treatment facilities, water treatment facilities and distribution systems, and transportation system components such as roads, streets, bridges and viaducts, and airports. But my definition of infrastructure includes all the capital facilities through which city government delivers its important services: such obvious things as fire stations, detention facilities, and police precincts, such not so obvious things as recreation centers, gymnasiums, swimming pools, police and fire training facilities, and the structures people rarely think of, such as vehicle maintenance facilities, sanitation substations, and the other facilities from which the thousands of city workers construct and maintain the basic infrastructure. These capital facilities are vital to the provision of city services, and in aggregate represent a significant financial requirement, which ends up competing with the larger and more basic infrastructure projects for the precious resources available to local governments.

Although every city is unique in its infrastructure issues, Atlanta is much like most cities in our population range. While we are the central city of a metro area which has sustained unprecedented and continual growth for over twenty years, and have experienced much new development and redevelopment ourselves, we have other areas of the city untouched by those forces, whose infrastructure dates to the latter nineteenth century. As one example of the unique issues facing Atlanta, although we are an inland city, we face a major bridge replacement need. As many of you know, Atlanta was historically a railroad city, and railroad lines were an integral part of downtown Atlanta. As the automobile came into its own, grade separation of the heavy train traffic and vehicular and pedestrian traffic became necessary, and early in this century bridges were built over the railroad tracks on major north-south downtown streets. Thus, Atlanta probably has more miles of bridges than many cities located on a river, because rather than the two or three river crossings typically found we have nine major bridges crossing our railroad "river". And virtually all of these bridges were built prior to 1920. In other cases, the city is often frustrated by the dilemma of trying to invest infrastructure dollars in refurbishing or installing infrastructure in areas of the city to attract the investment or reinvestment of private dollars to provide jobs and housing for our citizens, while also being required to provide infrastructure to support market driven private investment. So we, like most cities, have an infrastructure marked by a mixture of mature and even obsolete components and shiny new facilities brought about by recent growth.

Mr. Chairman, in my remarks today I will focus on two primary areas of concern; environmental facilities and transportation.

ENVIRONMENTAL FACILITIES issues include water treatment and distribution, sanitary sewers and storms and drainage facilities, and solid waste collection and disposal systems.

Atlanta provides water treatment and distribution and wastewater treatment services not only to its resident population base of 435,000, but to more than 1 million citizens in the metro area. As the metro area grows, the demands for water have increased. In order to plan for the long-term water resource needs for the area and region, we must work diligently with federal and state governments to insure that water resources are properly managed and developed so that our needs of today are met and that future generations will continue to have an adequate supply of safe water. This includes providing sufficient treatment plant capacity, water storage, and pumping capacity to accommodate future service area needs.

Many of the city's 2,100 miles of sanitary sewer and storm drainage lines are in poor structural condition and are undersized to serve projected development. Some areas of the city are inadequately served by combined sewers and the attendant outfall problem. We estimate that our current spending levels for replacement of these sewer lines are only about one-tenth of what is needed. In the area of storm drainage, we have identified an estimated $125 million in costs needed to improve storm drainage in the various drainage basins around the city.

And finally in the environmental category, we face the same solid waste management and disposal issues which are gaining so much attention around the country. We perhaps have more landfill capacity remaining than many jurisdictions, but basic needs remain to minimize waste streams and recover resources from the waste stream.

TRANSPORTATION

Atlanta has long been the regional transportation hub for the southeast. Our highway and expressway systems provide local transportation and a smooth and vital linkage between regions of the country. Through Hartsfield Atlanta International Airport, we have always been the gateway to the southeast, and increasingly are becoming the gateway from the southeast to the world.

Our local transportation system is centered around our highway system and the Metropolitan Atlanta Rapid Transit Authority (MARTA) system of fixed rapid-rail and bus routes, one of the nation's most modern, efficient, and convenient. The city maintains some 1,440 miles of surface streets and 159 bridges and overpasses. The maintenance and improvement of this street and bridge network is an expensive proposition. Nearly fifty percent of the city-maintained bridges are structurally or functionally deficient and in need of remedial work or replacement, at a cost estimated to be $200 million.

To make the surface transportation system work better, we have a vital need for improvement to the traffic control systems to incorporate new technology which will make it possible to better manage the flow of traffic and to make surface transportation systems operate more efficiently. This effort has a big payoff in convenience and saved time to the traveling public, as well as energy savings associated with more efficient vehicle movement. The replacement of obsolete mechanical traffic signals and the upgrade of the traffic control system, to be implemented over a 10-year period, is a $40 million project.

Since you have a separate panel today focusing on aviation issues, the city will defer comments on this critical transportation component to that forum.

You can see from the preceding that in the categories of environmental facilities and transportation our needs are great, and when combined with all our other capital needs, ongoing operating requirements, and the needs of other jurisdictions which call upon the same tax base, such as the educational system and county government, overwhelm the ability of locally raised revenues.

From my perception as a city financial officer, I am greatly concerned over changes in the traditional funding of development of local infrastructure. Much of the existing infrastructure in Atlanta was funded with heavy federal participation, but today, we find that federal support virtually nonexistent. General Revenue Sharing which many cities used for infrastructure improvements, has been eliminated entirely. The HUD categorical grant programs of the late sixties and early seventies were consolidated into the Community Development Block Grant (CDBG) entitlement program, and we found our funding levels for infrastructure significantly reduced in that consolidation. Since the inception of CDBG, our annual entitlement has shrunk from a nominal level of over $18 million to $9 million, superficially a fifty percent reduction, but when the impact of inflation is considered, our CDBG funding level is more like 20% of what it was fifteen years ago. and infrastructure needs compete with a host of public services, economic development, and housing needs. In Georgia, direct state aid to Atlanta for infrastructure is limited mainly to highway projects, so that reduction in federal support must be made up through purely local dollars. To add injury on top of injury, we now hear federal budget strategies discussed which would eliminate the federal income tax deductibility of state and local taxes, and we must always be vigilant to ward off attacks on the tax deductible status of income from local government bonds. All these actions would simply make it more difficult and more expensive for local government to raise revenues locally to meet infrastructure needs.

I believe there are compelling and sound arguments for major state and federal participation in the funding of local government capital facilities. Atlanta represents a good example of the dynamics at work. Atlanta is roughly 20% of the population of the metropolitan area, but contains most of the major educational institutions, the regional hospitals, major religious institutions, regional recreational facilities such as stadia, major parks, the zoo, and museums, and is host to the state capital and major federal facilities. Virtually all the property engaged in the above activities is exempt from city of Atlanta taxes. The infrastructure necessary to support those facilities, which serve the metro area, the state, and in some cases a southeastern region or national contingency, simply cannot be paid for primarily by the taxpayers of the city of Atlanta. While logic suggests that some of the funding inequities created by these roles should be corrected at the state level, the political reality is that is not the case to any great extent. Thus, we have historically depended upon the federal government to provide some of the equity through distribution of federal revenues. It is that historical role of the federal government which we see as abandoned.

In closing, we see a basic need for a comprehensive and cooperative effort by federal, state and local governments to insure that the needs of our citizens are met. Atlanta is committed to taking the steps necessary to provide for infrastructure needs, and is maximizing the use of revenue bonds and user fees. But we are constrained by outdated limits on our general obligation bonding capacity, and frustrated by our need to provide the infrastructure to attract private investment versus the need to provide infrastructure for market driven development. We need and solicit your support as you study federal options to address this critical issue.

I want again to thank you for holding this hearing in Atlanta and giving us the opportunity to share with you our thoughts on infrastructure needs.

Prepared Statement of Philip Boyd

ATLANTA REGIONAL COMMISSION TESTIMONY BEFORE THE US HOUSE OF REPRESENTATIVES' COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

August 8, 1990

The Atlanta Regional Commission (ARC) appreciates the opportunity to present this testimony to the Committee on Public Works and Transportation as it examines the infrastructure needs of the Atlanta Region and the nation.

For the members of the Committee who are not familiar with ARC, a little background information may be helpful. The Atlanta Region has a long history of regional planning and cooperation. In fact, ARC's predecessor, the Metropolitan Planning Commission, was established in 1947 as the first regional planning agency in the nation to be supported from the start with voluntary local contributions. The MPC served the City of Atlanta, Fulton and DeKalb Counties. Over the years, however, the organizational structure changed and the area of jurisdiction expanded so that now, more than 40 years later, over 2.4 million people in the City of Atlanta and the eight surrounding counties benefit from ARC's coordinated, cooperative approach to addressing issues of regional concern.

ARC was created in 1971 by local governments under state enabling legislation and assists local governments in planning for highway and transit improvements, water and wastewater treatment facilities, community services, aviation facilities, parks and open space and a host of other facilities and services. Because of the Region's long-standing role as the Southeast's major surface and air transportation hub, planning for the Region's transportation needs is one of the Commission's top priorities. Today's testimony centers on the findings and recommendations of the two major transportation planning efforts undertaken by ARC within the last several years: The Regional Transportation Plan, which addresses surface transportation needs, and the Atlanta Region Airport System Plan, which deals with the Region's commercial and general aviation needs.

Regional Transportation Plan: Surface Transportation Needs

In the mid-1980's ARC and its partners in the transportation planning process began to examine the Region's surface transportation needs to the year 2010 as part of a major update of the Regional Transportation Plan (RTP). As we looked at our forecasts of population and employment growth, past trends and our existing highway and transit network, four major issues emerged. As we examined these issues further, we realized that they were not unique to this Region, but aspects of a national phenomenon brought about by the changing nature of America's major metropolitan areas. These issues are as follows:

- Cross-Regional Congestion

  Forecasts used as a basis for the RTP Update indicate that the rapid growth in population and employment experienced in the suburban portions of the Atlanta Region will continue well into the next century. As these suburban areas grow and mature, employment opportunities will expand and an increasing number of vehicle trips will be between suburban areas, rather than from suburban areas of the Region to a central location. Further evidence of changing travel patterns is provided by ARC's transportation models which utilize demographic data and information about the existing and planned road and transit network to predict future traffic levels and patterns on the Region's road system. These forecasts indicate that an increasing proportion of the travel in the Region will be from one suburban location to another. This shift in pattern holds true for work and non-work trips alike.

Thus, by the year 2010, while radial commuting patterns still account for a large portion of the Region's vehicle trips, cross-regional movements account for an increasing share of the Region's traffic. Unfortunately, the existing road network simply does not provide sufficient capacity to accommodate the tremendous increase in traffic that will accompany the growth forecasted to occur throughout the Region. Additionally, few direct routes exist for cross-regional traffic outside of Atlanta's Perimeter Interstate Highway (I-285), making cross-regional travel not only congested, but circuitous.

o Radial Highway Congestion

Another major issue facing the Atlanta Region in the period between now and 2010 is the congestion of radial portions of the regional freeway system, particularly outside of Interstate 285. This congestion results from rapid suburban growth both within and external to the Atlanta Region and is compounded by the lack of capacity on cross-regional transportation facilities.

Rapid suburban growth has been and will continue to be a major factor in the growth of vehicle trips using the radial freeway system. Growth of population and jobs in these areas point to continued growth of vehicle trips bound from suburban locations to employment centers in other suburban locations as well as to downtown Atlanta and other major activity centers within I-285. Because of inadequate capacity on available cross-regional facilities, persons desiring to travel from one suburban location to another often must use the radial freeway system in connection with I-285 to reach their destination. The result is congestion on the radial highway system, particularly in areas just outside or inside I-285 but also on the major interchanges linking I-285 to the radial highway system and on I-285 itself.

ARC's transportation models indicate that the congestion problems on the radial highway network resulting from rapid suburban growth within the Atlanta Region are compounded by the growth of trips to and from areas external to the Atlanta Region. In 1980, approximately 393,000 vehicle trips each day began or ended outside the seven county Region. This represented 9 percent of all the Region's vehicle trips but will swell to over 841,000 trips each day. The greatest percentage of these external trips either begin or end in "near external" counties adjacent to or within the vicinity of the Atlanta Region. Nearly 80 percent of the next external trips are work trips, primarily by persons living in external counties and commuting to jobs within the Atlanta Region.

A final factor that will play a role in the congestion problems on radial facilities is the unlikelihood of further widening on most radial freeways. The Atlanta Region is nearing the completion of a massive "freeing the freeways" project which has widened most Interstate segments in the Region to 10 lanes. Several considerations limit the number of additional lanes that can be constructed: there is very little room to widen these facilities in their most congested sections, the cost of additional rights-of-way are prohibitive in many cases, there is great concern about the environmental effect of such widenings and safety issues indicate these facilities have reached their maximum number of lanes.

- The Need for Transit

Another major issue identified in the RTP Update process was the need for transit in some form in all of the Atlanta Region's counties. In fact, this was more a reaffirmation of the need for transit consistently identified since the mid-1970's. This restated need for transit comes in light of increasing suburban growth, the proximity of jobs to existing and proposed transit stations and the continued congestion on the Region's highway facilities despite extensive improvements to provide additional capacity. While the transit mode appropriate to each jurisdiction will vary, as will the form of ownership, management and operation, the information brought to bear on the RTP Update process clearly illustrates the need for transit throughout the Region.

For example, ARC's transportation models indicate that, despite substantial improvements to the highway system, almost 47 percent of the vehicle miles travelled in 2010 will be on facilities that are subject to peak period volumes in excess of their capacity. Though transit cannot remedy this situation entirely, it can provide a degree of relief to the highway system.

- Activity Center Congestion

A final major concern raised by the studies associated with the RTP Update is congestion in the Region's major suburban activity centers. The growth of these concentrations of employment throughout the Region has been well documented in previous ARC studies. Other studies throughout the nation attest to the challenge of providing adequate transportation and other services to suburban activity centers.

The traffic problems associated with activity centers include: the convergence of local traffic bound for jobs, shopping or other local destinations with through traffic destined outside the activity center; coarse and irregular street patterns, often without sufficient capacity; and a lack of pedestrian ways, convenient transit or paratransit options. Additional problems identified included rapid changes in land use patterns; diffuse trip origins; unconstrained, often free parking; poor coordination between developers, transit operators and property managers; and design constraints.

To address these major issues, as well as other mobility problems identified through the RTP process, the regional planning process developed a comprehensive plan of projects which combined highway and transit improvements. The updated RTP includes 625 road projects, an additional 42 miles of rapid rail transit with 20 rail stations and a coordinated network of bus transit in all seven Atlanta Regional counties. This $5.7 billion plan recommends extending rail service into Gwinnett County, the nation's fastest growing large county according to the U.S. Census

Bureau, and constructing an outer perimeter highway encircling the Region approximately 15-20 miles outside the existing perimeter highway.

This is an ambitious plan, but one that must be followed if we expect to meet the mobility needs of a Region expected to contain over 3.7 million people and nearly 2.4 million jobs by the year 2010. Even if all the projects in the RTP are implemented during the planning period, the overall level of congestion will improve only slightly as compared to today's level.

This is only a brief summary of the major challenges facing the Atlanta Region. As noted earlier, these problems are not unique to our Region. Neither are they a complete description of the challenges ahead of us as a Region or nation as we move toward the 21st century.

Transportation System Management

Other transportation solutions that we feel must be examined by the Committee are the low capital cost means by which we can more effectively and efficiently manage existing facilities and reduce the demand for additional facilities. These methods and approaches are referred to as "transportation system management", "demand management" or "demand reduction" strategies and include such steps as widespread support of vanpools, carpools, ridesharing or transit use; staggered work hours to lessen peak hour traffic levels and increased use of High-Occupancy Vehicle lanes on our urban freeways. These are but a few of the many relatively low cost approaches which have been implemented or considered in a few parts of the nation and which can provide us with a more efficient transportation system. The Atlanta Region's RTP calls for the 58 miles of high-occupancy vehicle lanes already constructed or under design on the Region's Interstate highways to be placed in operation.

"Incident Management" is another term that we must become familiar with as we search for ways to make our highway systems more efficient. An inordinate amount of the congestion on our nation's highways is caused not by a lack of capacity, but by accidents or other incidents which block traffic or otherwise restrict the functional capacity of a facility. We must find better ways to monitor our urban and suburban highway facilities, identify trouble spots and move quickly and effectively to restore the facility to its intended capacity. By the end of 1990, ARC will have completed a study examining the potential impact of effective incident management techniques on reducing freeway congestion in our Region.

Other Policy Issues

Several major policy issues stand out as we move out of the era dominated by the construction of our Interstate Highway system. These are:

- The appropriate Federal role in post-Interstate surface transportation programs;
- The mechanism and programs that should be continued or instituted to ensure adequate and equitable funding for needed improvements; and

- The governmental structure that will most effectively and efficiently address the changing nature of the nation's mobility requirements.

The Federal Government's Role

Clearly there is a need for a continued Federal presence in surface transportation issues in the coming decades. The objective of maintaining a healthy national economy is of national significance and is a basic aim of the Federal Government. The Federal Government has helped to create one of the world's best transportation networks and is the proper entity to assure the proper stewardship of that network. Additionally, the tremendous changes to urban areas brought about by the Interstate system have given rise to new challenges. The importance of local roads in urban and suburban areas and their value in sustaining the local and national economy must not be overlooked.

Likewise, the maintenance and improvement of transportation infrastructure will require more capital than can be raised locally. The Atlanta Region's RTP contains nearly $3.3 billion in highway improvements. Of these, only $1.2 billion are anticipated to be funded with federal dollars. Local, state and other funds will account for the remaining $2.1 billion. These local funds will be raised through a variety of means, including sales tax referenda, developer impact fees, community improvement districts and other measures. With transit, operating and capital expenses are offset with local option sales tax revenues as a means of reducing the non-local share of transit expenses. Clearly, local governments in the Atlanta Region have made a strong commitment of resources toward the Region's transportation infrastructure; but this will only take us so far. The Federal government should and must contribute to the ongoing maintenance and improvement of our transportation system.

Surely, the Federal Government cannot sustain the nation's transportation system alone. State and local governments - as well as the private sector - must work together with the Federal government to meet the nation's needs. Still, the need for a continued, strong Federal role is evident.

The overall objective of the Federal Government's role in future transportation programs should be to support and enhance the economic vitality of our nation as a whole by providing for the orderly and efficient movement of goods and people at a national, state, regional and local level. To do this, Federal transportation programs over the next three decades should encourage the maintenance of existing facilities and the expansion of facilities or provision of new facilities to accommodate the level and pattern of anticipated growth.

Maintaining the existing transportation infrastructure is an enormous but necessary task. The National Council on Public Works Improvement and the National Transportation Policy point out the indisputable connection between the vitality of the nation's economy and the condition of its infrastructure. These sources clearly state that the nation cannot maintain its economic growth while it allows the infrastructure that supports that growth to deteriorate. The interstate highway system, now nearly complete, will require continued investment and improvement if it is to provide the level of service needed to accommodate future growth. A disturbingly high number of the nation's bridges are deteriorating.

indicating the need to concentrate efforts on maintaining this essential element of the transportation network. As an example, a 1984 ARC study found that 32 percent of all bridges in the Region were either structurally deficient or functionally obsolete. Millions of dollars are needed to correct these problems.

Though the Atlanta Region's transit system is young by comparison to other systems in the nation, we cannot ignore the need to maintain its good condition on an ongoing basis. Likewise, it is clear that major investments will be required to maintain adequately the nation's transit network. Transit is an essential element in any balanced transportation network. It provides relief to the highway system and mobility to many who have no other transportation options. It is incumbent that we keep these systems functioning well.

As noted earlier in this testimony, one of the major challenges ahead of the Atlanta Region and all major metropolitan areas is the provision of adequate transportation facilities in suburban areas. New efforts are needed to provide for the mobility needs of America's suburbs through highway and transit facilities and programs tailored to meet the unique needs of these areas. The Urban Mass Transportation Administration recently has begun to address this need through its Suburban Mobility Initiative. Efforts such as this need to continue and expand if we are to successfully meet suburban mobility needs.

As the MPO for the Atlanta Region, ARC is also keenly aware of the transportation needs of urban America. Despite strong suburban growth, urban areas continue to function as significant economic powers and cultural centers. To ignore the needs of the nation's urban areas by neglecting to maintain and expand the highway and transit system serving those areas would be economically devastating.

Program Elements and Funding Mechanisms

In the coming decades, Federal programs and funding should be designed to encourage the fulfillment of the program objectives outlined previously. Thus, Federal support should:

- ensure the Interstate system is maintained through a continuation and expansion of the Interstate 4R program or a similar initiative;
- assist in improving mobility in suburban, urban and rural areas through a combination of highway and transit programs;
- encourage the development of new and innovative means to utilize existing and planned capital facilities much more efficiently and reduce the demand for new facilities through changes in commuting habits, work hours and the like;
- continue the rehabilitation of the nation's bridges; and
- support the maintenance and expansion of transit systems in urban, suburban and rural areas serving traditional riders as well as special populations such as the elderly and handicapped.

Program funding should be flexible and user fee based. The Highway Trust Fund, including its Mass Transit Account, are resources that should remain intact and dedicated to projects aimed at maintaining and strengthening the nation's transportation infrastructure. Using the balance of the Trust Fund to artificially offset the Federal deficit is a self-defeating process that should be discontinued by taking the Trust Fund "off-budget." This will allow greater investment in the infrastructure needed to support growth and help to reduce deficits naturally.

Atlanta Region Airport System Plan - Air Carrier Component

It is clear to all observers that we also face a pressing need to provide additional capacity and a greater degree of safety to our nation's commercial and general aviation system. In the Atlanta Region, we recognize the vital importance of adequate and safe air transportation facilities. The Atlanta Region's only air carrier airport, William B. Hartsfield Atlanta International Airport, is one of the busiest airports in the world, and contributes nearly $8 billion each year to the economic health of the Region. However, a recently completed ARC update of the air carrier component of the Atlanta Region Airport System Plan indicates that, in addition to technological, operational and capital improvements at Hartsfield, the Region must have another air carrier airport in place by the end of the century if we intend to meet the demand for air travel generated by the continued growth of the Region's population and employment base. To fail to do this would be akin to economic suicide.

Atlanta, like the nation as a whole, depends more and more on air transportation. We are moving forward with our regional efforts to identify the best possible site for this much-needed second air carrier facility, and appreciate the federal government's continued support of our work. The nation's need for additional aviation facilities is critical and we encourage Congress to make the improvement and expansion of the nation's airport and air traffic system a cornerstone of any effort to address the nation's infrastructure needs.

Governmental Structure

The final challenge as we move toward the 21st century is to identify and support a structure to effectively and efficiently address the nation's changing mobility needs. It is our belief that the currently established intergovernmental structure which utilizes substate regions as the forum for continuing, comprehensive and coordinated planning has performed well and should be continued on the basis of its success.

The Atlanta Region's experience with this process has been a positive and constructive one. It has helped us to cooperatively and efficiently allocate local, state and national resources to meet the Region's mobility needs in a balanced way. It has provided an effective link between the Federal Government and local policy makers and has ensured decisions that recognize national and local priorities on an equal basis. This structure should be continued, strengthened and perhaps even expanded to include non-metropolitan areas of the nation. As it has in the past, the MPO-based planning process should serve to integrate national priorities and local needs in an efficient, effective manner.

In conclusion, it is clear that we face many new challenges, both locally and nationally, as we approach the 21st century. The Interstate Highway system has played a key role in transforming the shape of American metropolitan areas. Furthermore, it has been an essential element in supporting economic growth throughout the nation. As we move toward the year 2000 we must address the new priorities and mobility needs of the nation. There is a clear need for the Federal Government to play a strong role in this process in order to ensure the nation's continued economic vitality.

This ultimate objective can be achieved by efforts to sustain the Interstate Highway network; strengthen urban, suburban and rural areas and provide for a balance of highway and transit in an integrated, complimentary system.

Federal programs should ensure orderly development and efficient utilization of funds with minimal distortion. Additionally, the cost of improvements to the nation's transportation system should be shared by users of that system through the continued utilization of the Highway Trust Fund and its Mass Transit Account.

Finally, the forum for local decision makers to establish priorities, coordinate their efforts with Federal priorities, and move toward meeting the transportation challenges of the 21st century should be the substate regional and metropolitan planning process that has served the nation and local governments so well in the past.

ARC appreciates and applauds the Committee's leadership and the dedication as it works to address the nation's infrastructure needs. We will continue to support this effort in any way we can and look forward to working together with you as well as our local state partners in the planning process to meet the future mobility needs of our Region and the nation.

Presented by John Braden

STATEMENT OF

COMMISSIONER IRA JACKSON

CITY OF ATLANTA

AT

CONGRESSIONAL HEARING

AUGUST 8, 1990

MR. CHAIRMAN AND MEMBERS OF THIS SUB-COMMITTEE. I AM IRA JACKSON, COMMISSIONER-DESIGNATE OF THE DEPARTMENT OF AVIATION OF THE CITY OF ATLANTA. I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY IN ORDER TO PRESENT TESTIMONY CONCERNING THE CAPITAL IMPROVEMENT NEEDS OF HARTSFIELD ATLANTA INTERNATIONAL AIRPORT. IT IS THE JOB OF THE DEPARTMENT OF AVIATION TO OPERATE AND MAINTAIN THE WORLD'S SECOND BUSIEST AIRPORT AN AIRPORT THAT PROVIDES EMPLOYMENT FOR MORE THAN 38,000 PEOPLE AND AN AIRPORT THAT MANY CONSIDER TO BE THE ECONOMIC ENGINE OF THE ENTIRE ATLANTA METROPOLITAN AREA.

MR. CHAIRMAN, MY REMARKS TO YOU TODAY CONCERN THE NEEDS ASSOCIATED WITH MAINTAINING OUR POSITION IN THE WORLD WITH RESPECT TO AVIATION, TOURISM, BUSINESS DEVELOPMENT AND THE GREAT PROGRESS OUR CITY HAS MADE IN THE PAST THIRTY YEARS THAT ARE ATTRIBUTABLE TO THE AIRPORT. THESE ARE NEEDS THAT CAN ONLY BE FULFILLED THROUGH THE CONTINUED COOPERATION BETWEEN THE FEDERAL

GOVERNMENT AND THE CITY OF ATLANTA. THIS OF COURSE, IMPLIES THE IMPORTANCE OF CONTINUING FEDERAL SUPPORT FOR THE NATION'S AIRPORTS.

OUR NEEDS MUST BE THOUGHT OF IN TERMS OF SHORT-TERM AND LONG-TERM SOLUTIONS; THE FIRST BEING THE PERIOD FROM THIS YEAR, 1990, THROUGH 1995. THE LONG-TERM BEING FROM 1996 THROUGH 2005.

WE CAN FUND SMALL IMPROVEMENTS FROM OUR ANNUAL SURPLUSES DERIVED FROM ANNUAL OPERATING REVENUES. LARGER EXPENDITURES ARE FUNDED BY AIRPORT REVENUE BOND ISSUES. NEITHER OF THESE, HOWEVER, ARE SUFFICIENT WITHOUT THE AIRPORT IMPROVEMENT PROGRAM OR ITS SUCCESSOR.

OUR SHORT-TERM NEEDS CAN BE DIVIDED INTO THE FOLLOWING CATEGORIES:

1.) BUILDING AND SERVICE ENHANCEMENTS
2.) AIRFIELD IMPROVEMENTS
3.) NOISE MITIGATION

THE FIRST CATEGORY INCLUDES EXPANSION OF THE PRESENT TERMINAL COMPLEX. THESE ADDITIONS ARE PRIMARIY FOR THE BENEFIT OF THE PASSENGERS AND WILL PROVIDE MORE OPEN AREAS AND CONCESSION SPACE IN THE MAIN TERMINAL AND EACH OF THE FOUR DOMESTIC CONCOURSES. A SMALL PART OF THIS IS ALREADY UNDERWAY. WITH THE EXPANSION WE MUST INCLUDE MODIFICATIONS TO SUPPORT FACILITIES, ROADWAY AND PARKING IMPROVEMENTS. WE MUST UPGRADE OUR SECURITY SYSTEM TO MEET NEW FEDERAL REQUIREMENTS. WE HAVE SCHEDULED CARGO RAMP

IMPROVEMENTS AND A MUCH NEEDED EXPANSION OF OUR PRESENT FEDERAL INSPECTION SERVICES BUILDING (INTERNATIONAL ARRIVALS AREA). THESE ITEMS ALONE AMOUNT TO $84.7 MILLION AND ONLY BEGIN TO ADDRESS OUR NEEDS. THE LARGEST AND MOST EXPENSIVE ITEM IN THIS CATEGORY IS THE NEW INTERNATIONAL CONCOURSE WHICH WE HOPE TO HAVE UNDER CONSTRUCTION BEFORE THE YEAR IS OVER. THOUGH OUR CURRENT INTERNATIONAL CONCOURSE, WHICH HAS BEEN DOUBLED IN SIZE SINCE THE TERMINAL OPENED IN 1980, IS NOT LARGE ENOUGH TO MEET THE EXPECTED DEMAND IN 1991, WE CANNOT COMPLETE THIS $277-MILLION PROJECT BEFORE LATE 1993. (CHANGES BEING CONSIDERED NOW COULD INCREASE THE COSTS OF THE PROJECT BY MORE THAN $100 MILLION).

AIRFIELD IMPROVEMENT NEEDS FALL INTO A "MUST DO" CATEGORY. PAVEMENT REPLACEMENTS AND SUPPORT FACILITY IMPROVEMENTS WILL COST US $32.4 MILLION BY THE END OF 1995, BUT OUR MOST IMPORTANT NEED IN THIS AREA IS FOR THE CONSTRUCTION OF A FIFTH PARALLEL RUNWAY, WHICH IS CURRENTLY PROJECTED TO COST $143.2 MILLION.

THE LAST CATEGORY FOR SHORT-TERM NEEDS IS ONE OF GREAT PRIDE TO THE CITY OF ATLANTA. IT IS OUR NOISE MITIGATION PROGRAM WHICH HAS BECOME A STANDARD FOR AIRPORTS WORLDWIDE. IN ORDER FOR US TO COMPLETE THE CURRENTLY APPROVED MEASURES THROUGH FEDERAL FISCAL YEAR 1996, WE WILL SPEND $173,985,000. OF THAT AMOUNT, WE EXPECT FEDERAL TRUST FUND MONIES WILL PROVIDE $123,588,000; THE BALANCE WILL COME FROM AIRPORT GENERATED REVENUES AND ANTICIPATED LAND SALE PROCEEDS.

NOW LET ME TURN TO OUR LONG-TERM NEEDS WHICH CAN BE

SUMMARIZED IN THREE CATEGORIES.

1.) AIRPORT ENHANCEMENT
2.) NOISE MITIGATION
3.) SECOND AIR-CARRIER AIRPORT

OUR ENHANCEMENT PROGRAM FOR 1996 THROUGH 2005, CONSISTING OF AIRFIELD REPAIRS, TERMINAL BUILDING MODIFICATIONS AND ROADWAY IMPROVEMENTS, IS ESTIMATED TO COST $93.2 MILLION.

THE NOISE MITIGATION PROGRAM WHICH IS CURRENTLY SCHEDULED TO BE COMPLETED IN FEDERAL FISCAL YEAR 1998 WILL COST $61,794,000. WE ANTICIPATE RECEIVING $49,435,000 OF THIS AMOUNT FROM THE FEDERAL TRUST FUND.

FINALLY, BUT OF EXTREME IMPORTANCE TO ATLANTA, WE ARE FACED WITH THE NEED FOR AN ADDITIONAL AIRPORT TO ACCOMMODATE THE GROWTH OF ATLANTA AND THE AREA SERVED BY HARTSFIELD ATLANTA INTERNATIONAL AIRPORT. THE ATLANTA REGIONAL COMMISSION IS CURRENTLY CONDUCTING A STUDY TO, HOPEFULLY, DETERMINE THE BEST SITE FOR THIS NEW AIRPORT WHICH WILL BE DESIGNED TO SUPPLEMENT, NOT REPLACE, HARTSFIELD. MANY IMPORTANT DECISIONS ARE YET TO BE MADE CONCERNING THE SIZE OF THE INITIAL PHASE OF THE SECOND AIRPORT, BUT WE KNOW THAT WE ARE FACED WITH A MINIMUM OUTLAY OF $400,000,000 FOR THIS PROJECT. IT IS QUITE POSSIBLE THAT, BY THE YEAR 2005, WE MAY HAVE TO EXPEND UP TO $1 BILLION.

IN CLOSING, I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO

PRESENT THIS INFORMATION TO YOU; AND I WOULD LIKE TO PLEDGE MY SUPPORT TO YOU AND THE U.S. CONGRESS TO MAINTAIN AND EXPAND ATLANTA'S PRE-EMINENCE IN AIRPORT SERVICES. I LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE AND I WILL BE HAPPY TO SUPPLY YOU WITH ANY ADDITIONAL INFORMATION WHICH YOU MAY REQUIRE.

Testimony
of
Robert E. Gerber
to
The U.S. House of Representatives Public Works Subcommittee
August 8, 1990

Mr. Chairman, I am Bob Gerber, Chairman of the Metropolitan Atlanta Chamber of Commerce Water Quality Task Force. On behalf of the Atlanta Chamber of Commerce I wish to thank you for your invitation to testify before this subcommittee. Today I wish to address water quality issues related to the infrastructure needs of the Atlanta region. I am testifying as a concerned businessman and former county public works and planning director. I became involved with Chamber activities related to infrastructure improvement years ago, feeling that private sector cooperation and input is vital in an effective infrastructure system.

As the Chairman of the Water Quality Task Force, I oversaw the development of the Chamber's Long-Range Planning Document. The report addresses many pertinent concerns related to water quality in the Atlanta Region appropriate for support by the Atlanta business community.

Water quality and economic development are inextricably linked. The capacity to attract and sustain new jobs and new homes, guard public health and enhance regional recreation resources are factors in the struggle to maintain an effective, equitable system of water quality management and an attractive quality of life.

It is unquestionable that Atlanta and all the jurisdictions adjacent to the Chattahoochee River must improve water quality in the river to secure an adequate water supply. Our downstream as well as all neighbors have the right to expect a reasonable volume of clean water. Local, State and Federal governments, business and civic interests must address and find solutions to improve water quality in our region.

Non point and wastewater treatment facilities remain a potential source affecting water quality. A study of the region's wastewater flow projections done in 1986 by the Atlanta Regional Commission (ARC) showed that and most of the region will be nearing planned capacity by 2010. To meet 2010 capacity needs, assuming water quality standards remain constant nearly every wastewater treatment plant in the region will have to be expanded or upgraded during the next 20 years. Local jurisdictions may continue to experience temporary moratoria over the next several years if growth exceeds plant construction schedules or if water quality standards are non restrictive. Many of the difficulties in meeting wastewater treatment capacity and quality arise from citizen opposition, growth pressures, changing water quality standards affecting the design, permitting and construction lead time requirements, and service areas based primarily on political boundaries rather than natural drainage basins.

An additional water quality issue deserving aggressive attention is combined sewers. Over 1,700 cities in the United States are affected. Combined sewers are designed to carry both sewer and stormwater runoff in the same pipe. When it rains, large volumes of stormwater return to streams untreated. The point where the stormwater and sewage mix is diverted to area streams is termed a combined sewer overflow (CSO).

Atlanta has nine combined sewer overflows (CSOs). Three CSO facilities have been constructed to collect and treat the first flush of a storm event. The remaining five CSOs currently discharge both stormwater and sewage into several area streams, during high intensity rains. The City of Atlanta is currently completing design to construct CSO treatment facilities affecting the five discharge sewers at an estimated construction cost of 60 million dollars. Plans are to screen and chlorinate the overflows. It should be noted that EPA has not, at this time, provided definitive regulations or standards for CSOs.

There are several laws pending that could require municipalities to provide secondary treatment of combined sewer overflow. Senator Mitchell (D-Maine) has proposed a bill affecting the Coastal and Great Lakes region that also addresses coastal CSO concerns. It does not, however, provide for any federal funding for treatment systems.

Mr. Chairman, I wish to note here that the City of Atlanta has corrected these sewer overflows at a cost of $40 million as part of the Three Rivers Water Pollution Control Project completed in the early 1980s. The improvements consist of a tunnel and first flush retention tank systems into which sewage is diverted during a storm event.

The State of Georgia enacted legislation requiring the permitting of CSOs by July 1991. The City of Atlanta and Fulton County have formed a task force to devise ways to reduce CSO events. A number of steps are already being taken. The City has adopted several management and maintenance changes that should reduce the frequency of overflows preparatory to the construction of the treatment improvements now under design.

Some experts foresee the elimination of CSOs as an inevitability. Others claim that this measure is too costly. One thing is clear. The federal government is continuing to cut back dollars to cities and counties. In the American City and Counties annual public leader's survey, local officials reported that their overall infrastructure deterioration is increasing. Of the respondents, 44 percent said the need for repairs was serious or very serious, while 49 percent listed their repairs as moderate. However, almost 60 percent of the respondents said their need for new infrastructure was moderate, and 39 percent reported their need for new facilities and structures as serious.

The federal government seems to support the position that municipalities and states have the capacity to repair their facilities without federal help. But local officials, when faced with dwindling funds and angry taxpayers, say that they cannot.

Federal mandates are another serious burden on the local level. Particularly problematic are environmental regulations for water, wastewater, and stormwater treatment that require installing systems for nutrient and toxic removal. Urban stormwater run off has comparable water quality characteristics as CSO discharges. Yet, the proposed stormwater discharge standards only apply to cities! Federal standards for trace toxins and stormwater quality must be attainable and measurable. Federal and state governments must also look more seriously at the cost of what they mandate. The federal government must become at least a 50 percent partner.

It seems unrealistic and unfair to reduce federal funds which affect the major percentage of population (urban dwellers) when they pay taxes which should assist in their local community.

Cities and counties are exploring any and all new fiscal avenues as a matter of necessity. Implementation of user fees, developer impact fees, special tax levies, short-term taxes and privatization all are being used to generate much needed financing for infrastructure. This, however, will not cover the funds needed if a federal mandate is issued to eliminate CSOs, or completely resolve stormwater discharges. The federal government must take on a leading partnership role to financially solve this national problem.

Mr. Chairman, I would again like to thank the subcommittee for their invitation and demonstrated interest in this very important, and until recently silent crisis facing our community.

TESTIMONY PRESENTED
BEFORE THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
BY THE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

2424 Piedmont Road, N.E.
Atlanta, Georgia 30324

AUGUST 8, 1990

WELCOME

My name is Ken Gregor. I am General Manager of MARTA, the Metropolitan Atlanta Rapid Transit Authority. On behalf of MARTA, I want to welcome you, Mr. Chairman, and the members of the House Public Works and Transportation Committee to the City of Atlanta. As you look around our city, I am sure you will understand the pride we feel for our home and the pleasure we receive when we can share our home with guests.

HISTORY AND OVERVIEW

Increasingly, Atlanta is attracting greater numbers of guests from around the nation as well as from around the world. The City has become a Mecca for conventions and trade shows. We successfully hosted the National

Democratic Convention and are scheduled to host the 1994 Superbowl. Atlanta is in close competition and, some say, leading the bid to host the 1996 Olympics. Atlanta is also in the running as the U.S. host for the 1994 World Cup Soccer competition. Many of our guests come for a visit and decide to stay and make their homes in the Atlanta Region. The Atlanta Metropolitan Area is one of the fastest growing regions in the nation.

The quality of life in our city has done much to attract the economic development that drives our growth. In many respects the quality of life is dependent on the adequacy of our infrastructure and rapid transit is considered a vital part of that infrastructure. Recognizing how vital mass transit is to the economic and social well being of this community, voters in the City of Atlanta and Fulton and DeKalb County approved a comprehensive public transportation plan in 1971. The document set forth plans for bus improvements as well as construction of a rapid rail transit system.

At that time the voters also imposed upon themselves a 1% local option sales tax to pay for these improvements and the new rail system. Additionally, that same year the transit system was awarded the largest single grant ever given to a new transit system by the Urban Mass Transportation Administration. This was the genesis of the Metropolitan Atlanta Rapid Transit Authority - MARTA. Through MARTA the citizens of the Atlanta region can document nearly two decades of commitment to local funding support for mass transit and to the local - federal partnership upon which our success so clearly rests.

MARTA is an independent single purpose agency created by the Georgia General Assembly to plan, build and operate public transportation in Metropolitan Atlanta. At the present time the System serves the three most populous jurisdictions in the Atlanta Region: the City of Atlanta, DeKalb County and Fulton County. (Very limited service also extends into Cobb, Clayton and Gwinnett Counties.) All of the 5th Congressional District is in the MARTA service district as well as a substantial portion of the 4th Congressional District.

Since 1971 MARTA has made numerous capital and service improvements involving the Bus System: new equipment; new Maintenance and operating garages; passenger shelters; new bus routes; improved frequencies; extended operating hours; improved schedule information; etc. In addition, MARTA has been aggressively implementing the rapid rail transit plan.

The present operating system includes 1,500 route miles of bus service, 32 miles of rapid rail lines and 29 passenger stations. Average weekday ridership equals approximately 495,000 trips. Annually, MARTA provides 45.5 million vehicle miles of bus and rail service to the citizens of the Atlanta Region. One hundred and fifty million passengers board the combined system annually and ridership increased by 3.5% during FY1990.

TRANSPORTATION INFRASTRUCTURE AND SERVICE

As with other forms of infrastructure, MARTA supports the needs of the community and strives to provide excellence in transportation service to all of our patrons. MARTA has integrated bus, rapid rail and special service vans to provide appropriate levels of service throughout its service area.

Service on the Bus System

MARTA became operational with the purchase of the Atlanta Transit System's buses and facilities in 1972. Since then the bus system has been critical in providing direct transit service for patrons throughout the Metropolitan Atlanta area as well as providing feeder bus service for the rail line as it has developed.

Our buses operate 30.0 million miles annually. There are 681 buses in MARTA's active bus fleet not including the 36 buses operating under contract to he Authority. There are 150 bus routes which together form an operating system of 1,543 route miles.

MARTA's safety record is unsurpassed by any other transit authority. In fact, MARTA has been declared the safest transit system in the United States eleven times and the safest in the North American continent four times in the past fifteen years.

Service on the Rail System

As approved by the voters in 1971 and as subsequently amended, the MARTA Rail Plan calls for 60 miles of heavy rail lines, 45 stations and 33,000 parking spaces. The proposed network includes two main trunk lines that intersect in the Atlanta Central Business District; four rail branches; one feeder rail line; and one busway (See Attachment #1).

MARTA has been building the rail system in phases, giving priority to those phases which promise the greatest return on investment or which are given priority for reasons of construction staging or operating efficiencies. MARTA has in service 32 miles of track, 29 stations and 17,000 parking spaces. All of Phases A and B (See Attachment #1) are in service as well as all of Phase C except the extension from Chamblee to Doraville.

MARTA has under development at the present time twelve miles of track and six stations. This includes the last part of Phase C -- two miles of track and the Doraville Station. This portion is 40% complete and is scheduled to open in December 1992.

The remainder of the MARTA System that is currently under development is Phase D which consists of ten miles of track and five stations. It includes three lines: 1) extension of the East Line from Avondale through Kensington to Indian Creek -- three miles of track and two stations; 2) construction of a branch feeder line in the Proctor Creek Corridor -- between the Ashby Street Station and Bankhead Highway -- one mile of track and one station; and 3) the North Line from Lindbergh Station to the Medical Center -- six miles of track and two stations. All of Phase D is under development -- detail design, land acquisition as well as construction. Revenue service to Bankhead is scheduled to begin in mid-1992; to Kensington and Indian Creek in mid-1993; and to Buckhead and the Medical Center in mid-1995.

The total current estimated cost of Phase D is $449.9 million, of which the Urban Mass Transportation Administration (UMTA) is providing $135 million or 34%. All federal funds are being applied to the East Line extension from Avondale to Indian Creek. The feeder line in the Proctor Creek corridor and the North Line to Medical Center are being built with local funds.

When Phase D is completed in the mid-90's, MARTA's rail operating system will consist of 44 miles of track and 35 stations. UMTA is providing $1.5 billion or 53% of the $2.9 billion cost. The local share is $1.4 billion or 47% of the cost.

Service to the Elderly and Handicapped

MARTA has a long history of service to our patrons with special needs, our elderly and handicapped citizens. In 1976, the Elderly and Handicapped Committee was created and MARTA's commitment to providing lift buses and special services to this group of patrons was formalized.

Two years before the Americans with Disabilities Act was signed, MARTA - working with its E & H Committee - formulated and adopted the policy that 50% of the bus fleet would be fully accessible to the elderly and handicapped by 1992 and that 100% accessibility would be achieved by the year 2000. The rail system including all of the rail passenger stations are already completely accessible to these special patrons. Additionally, MARTA has contracted with a private company to provide limited scheduled and demand responsive lift van service for those special patrons who cannot avail themselves of the regularly scheduled transit operations.

Service through Intermodal Linkage

Service to our patrons is also enhanced by maximizing opportunities for intermodal linkages and interfacing with other systems. The system is designed to facilitate transfer between MARTA's bus and rail components.

An intermodal link also exists between intercity bus and the rapid rail system. The Greyhound Bus Terminal is within easy walking distance to MARTA. Plans are underway to improve this linkage by building a new terminal in conjunction with a MARTA rail station.

Undoubtedly MARTA's most successful intermodal linkage is represented by our airport rail station which is in the heart of the baggage/ground transportation area of Hartsfield International Airport.

When the Airport Rail Station opened in the summer of 1988, the average weekday patronage was 7,300. This station has seen a steady increase in patronage. In June 1990, average weekday patronage was 9,500 which is a 30% increase since the opening of the station.

Part of the airport station ridership increase comes from travelers residing outside of Georgia. Thus MARTA has become an intermodal extension to the Atlanta airport as it brings business people and tourists into the State of Georgia.

Service through Interface with Other Systems

In July 1989, MARTA entered into a reciprocal free transfer arrangement and cooperative operating plan with the new Cobb Community Transit (CCT) system. Under this agreement, individuals are allowed free transfers between MARTA and CCT services, and operating procedures were implemented for enhanced customer convenience.

The transit ridership level and regional mobility have clearly benefited from this agreement. CCT ridership has exceeded all expectations with the system's greatest usage route being on CCT local Route 10, connecting the City of Marietta and Cobb County's densely developed Cumberland/Galleria area with the MARTA Arts Center Station. Individuals travelling from Cobb County into the MARTA service area and vice versa have been well served by this connection as demonstrated by CCT Route 10 where 43.5

percent of the riders are Fulton and DeKalb residents travelling to destinations in Cobb County.

Transit Service and its Direct Benefits to the Economy and the Environment

MARTA's mission statement, A Standard of Excellence, has as one of its by products the attraction of riders to the transit system. Our striving for excellence not only benefits the regional economy but also has immediate positive impacts on the regional environment.

Many direct economic benefits accrue to the region as a result of MARTA's activities. MARTA employs more than 3,300 people full time and almost 500 part-time workers. The multiplier effect of the rail construction dollar is 3.5 times the direct investment which means that the $2.8 billion spent for rail development programs has contributed about $9.8 billion to the region's economy.

As growth and expansion continue, traffic congestion has become endemic to certain part of Metropolitan Atlanta. This local experience contributes to the fulfilling of the U. S. Department of Transportation projection that more than 7 billion gallons of fuel will be wasted because of traffic congestion by the year 2005.

Traffic congestion adds to the region's problem with air pollution. Motor vehicles contribute 40% - 60% of the hydrocarbons that produce our ozone and smog problem, and cause 70% - 80% of our carbon monoxide emissions. It is estimated that one person using mass transit for a year instead of driving to work saves our environment 9.1 pounds of hydrocarbons, 62.5 pounds of carbon monoxide and 4.9 pounds of nitrogen oxides.

In return for the region's support for MARTA, the Authority offers an alternative transportation mode which is energy efficient, reduces traffic congestion, and has a positive impact on the environment. Every bus full of passengers at rush hour removes 55 cars from our congested highways and every rail car removes 125 cars from traffic.

THE FUTURE OF TRANSIT IN THE ATLANTA REGION

MARTA stands on a record of successes in the provision of transit infrastructure to the citizens of our community. We are proud of the transit system being built in the Atlanta region and thankful for the community support and vision that established a dedicated source of local funds to support it. The service that MARTA has been able to provide to the citizens of Atlanta area as represented primarily in the 4th and 5th Congressional districts has been made possible by the strong local - federal partnership that the members of this committee have sustained. Continued federal financial support for alternative modes of transportation and sensitivity to the impact of federal mandates on local transit systems is vital to the future of transit in the Atlanta region.

As we approach our immediate future, MARTA's first priority and need is to complete the 60 mile rail system approved in the original 1971 referendum and subsequently amended. As we pursue this goal, we must also assess developments within the region to identify new corridors where mass transit is justified and needed. One of these corridors is the North Atlanta Corridor.

Extension of the North Rail Line

Congressional support has already been forthcoming for MARTA's North Line Extension which is needed to link the transit system currently serving the Atlanta region with the North Atlanta Corridor.

The Metropolitan Atlanta Region is one of the most robust urban areas in the United States. The current population is 2.2 million, up from 1.8 million in 1980; employment is 1.2 million, up from 881,000 in 1980. In 2010, the region's population will reach 3.7 million and employment 2.4 million.

The North Atlanta Corridor is the fastest growing corridor in the region. Property that was developed commercially ten to fifteen years ago is now being redeveloped to higher densities (See Attachment #2).

The 1980 Census reported a population of 147,619 for the North Atlanta Corridor, or eight percent of the seven-county region's total. Since 1980, the area has experienced a 61% increase in population to 237,000. Employment has increased 119%, from 53,059 to 116,500. By the year 2010, population in the corridor will be 431,000; employment will be 270,000.

The central portion of the corridor is becoming a dense urban center which will soon rival downtown Atlanta. Sixteen million square feet of commercial space exist now or are under development in the central portion of the corridor. Just north of the core another 30 million square feet of space exist or will be developed. This accelerated growth has resulted in significant traffic congestion and delays. At the same time, there is an increasing demand for public transportation to transport workers from the central city to jobs in the corridor.

Thus the MARTA North Line is the next logical phase of MARTA development. The line (See Attachment #1) branches off the Northeast Line in the vicinity of Lenox Square, one of the largest regional shopping centers in the metropolitan area. Two stations and 5.7 miles of heavy rail will be built in conjunction with a major highway improvement (GA 400). The rail line from Buckhead to Medical Center, estimated to cost $230 million, will be fully financed with local funds. Construction is already underway.

Extending public transit improvements further into the North Atlanta Corridor is considered by Atlanta region officials to be a matter of top priority. It is a corridor of rapidly expanding job opportunities with major arterials and feeder streets operating at, or above, theoretical capacity levels. Moreover, public transportation improvements are needed in order to adequately serve patrons who have no other means of travelling to and from this job-rich corridor.

The Draft Environmental Impact Statement has been submitted to UMTA and MARTA is anticipating approval for preliminary engineering work in late August.

The current estimated cost of the project -- Medical Center to North Springs -- is $499.9 million. This estimate does not include the cost of preliminary engineering but does include funds to purchase additional rail vehicles.

MARTA expects to request a federal financial commitment to the project of $374.9 million including $52.5 million earmarked last year by congress. While this represents 75% of the cost of the extension, it represents only 53% of the cost of the total 8.8 mile, five station North Line.

The addition of the North Line to the MARTA Rail System will provide substantial benefits in terms of increased ridership, especially reverse commuting from areas of high unemployment in the central city to job-rich suburban employment centers. In addition, further reductions in per passenger operating costs are expected along with improved travel time savings and positive impacts on commercial and retail development.

Other Corridor Possibilities for Future Growth

Development and growth within the region has shown other corridors to be prime candidates for future transit service. In 1989, the Atlanta Regional Commission (ARC) completed a study of potential new transit corridors to serve the growing metropolitan Atlanta suburban market. One of the corridors recommended for further study was the I-285 corridor from the current East Rail Line extending northward, parallel to the freeway, to the North Rail Line in the Perimeter Center area. This cross regional line would serve well in attracting new riders from central, south and east DeKalb to areas like Northlake and Perimeter, and would also feed existing radial lines to downtown, Lenox and the airport.

The design features, patronage and cost results of the ARC study are now being subjected to a more detailed analysis by the MARTA staff. The ARC study also recommended that other corridors including some which are currently outside the MARTA service area be considered for their rail transit potential. They are the Perimeter Center to Cumberland Mall Corridor, the Marietta to Arts Center Corridor in downtown Atlanta, and the I-85 Corridor northeast of Atlanta. Refinements to these corridor studies are being coordinated between ARC and MARTA.

Commuter Rail Service Possibilities

One possible future use of MARTA is as the central distributor in the urbanized area for an Atlanta regional commuter rail system. MARTA's rail transit network in Atlanta and Atlanta's unique geographical and historical position in the region make such a merger of rail services particularly appealing.

Atlanta is the transportation hub of the southeast. Eleven rail lines radiate from the central city into the suburbs (See Attachment #3). Preliminary studies indicate that two transfer terminals (probably near Five Points

Station and Lindbergh Station) would be necessary to join the rapid rail system to the commuter rail system. For commuter rail, MARTA would thus become the distributor. Each service would enhance the other with the whole becoming greater that the parts.

There is some feeling that further widening of the Atlanta freeway system is impractical. Commuter rail doing what it does best - that is, moving lots of people during rush hour - will possibly save our freeway system from early obsolescence. More importantly, commuter rail would help guide future growth, mitigate the problems of urban sprawl and provide a great opportunity to tie 34 counties and a population of 3 - 4 million into a regional whole.

Indications are that a new-start commuter rail service with the right mix of modern equipment, simplified fare structure and the MARTA distributor would be a cost effective approach to regional transportation. The tracks are already there and it makes sense to use them.

As Metropolitan Atlanta grows, we need to reach out into the extremities of the region using existing rail corridors, trackage and rights-of-way and tie those areas into MARTA as a regional transit system.

Increased Costs of the ADA

Congress has passed and the President signed the Americans with Disabilities Act, a landmark civil rights act for our disabled citizens. Although we applaud the equity expressed within this legislation, as a representative of a public transit agency, we must ask: Where are the funds to implement this legislation? Its requirements are tied to the provision of service and without additional government support the cost of this service may add a restraining burden on public transit systems such as MARTA. We feel our responsibilities to this special group of patrons keenly, but the regulations that will be forthcoming on the service levels mandated in the ADA may require greater financial resources at a time when most transit systems have increasingly fewer resources.

Increased Cost of the Clean Air Act

A similar situation exists for transit in regards to the Clean Air Act which is presently before a Congressional

Conference Committee. As earlier stated, transit is beneficial to the environment and MARTA supports the efforts of government to insure clean air for citizens in nonattainment areas such as the Atlanta region. However, it is critical that efforts to regulate the emission standards in our urban bus fleets not be counter productive.

When emission standards and alternative fuel definitions are mandated, the costs of such mandates must be carefully weighed. Mandates that result in increased costs to transit systems will drive up fares or require reductions in service that will make mass transit less attractive. This will increase the numbers of vehicles on the road and aggravate the ozone problem in the Metropolitan Atlanta area. Of the harmful pollutants being emitted in the Atlanta area, 63% of the nitrogen oxides and 70% of the man-made organics come from vehicles. Traffic congestion adds to the problem because emissions from an idling vehicle are worse than from a moving vehicle.

MARTA encourages the House in the setting of emission standards and not in mandating a technology-specific approach to such standards. Specifically, the definition of clean fuel should allow for the use of clean diesel buses and an equitable phase-in schedule should be assessed to minimize the costs to urban transit providers.

Concerns with Reauthorization

The final concern to be brought to this committee is one that deals with the Reauthorization Act. A level playing field was established through the Surface Transportation Assistance Act of 1982 (STAA) which established the federal government's role in the area of public transit. The STAA did two things to establish a level playing field:

1. provided that 1 cent of the federal motor fuel tax be dedicated to transit and thereby ended the vastly unequal competition for funds between transit and the highway interests; and

2. established that Section 3 discretionary funds be apportioned on the 40-40-10-10 percentage basis. Forty percent going to meet the needs of the eight older cities for rail modernization, 40% to the 12 - 15 new start cities for capital construction, 10% to the bus

systems for major bus improvements, and 10% for discretionary allocation to the other three categories.

This level playing field has worked well for MARTA and the Atlanta region's transit needs. While some minor adjustments in the reauthorization may prove necessary, major changes should be made sparingly.

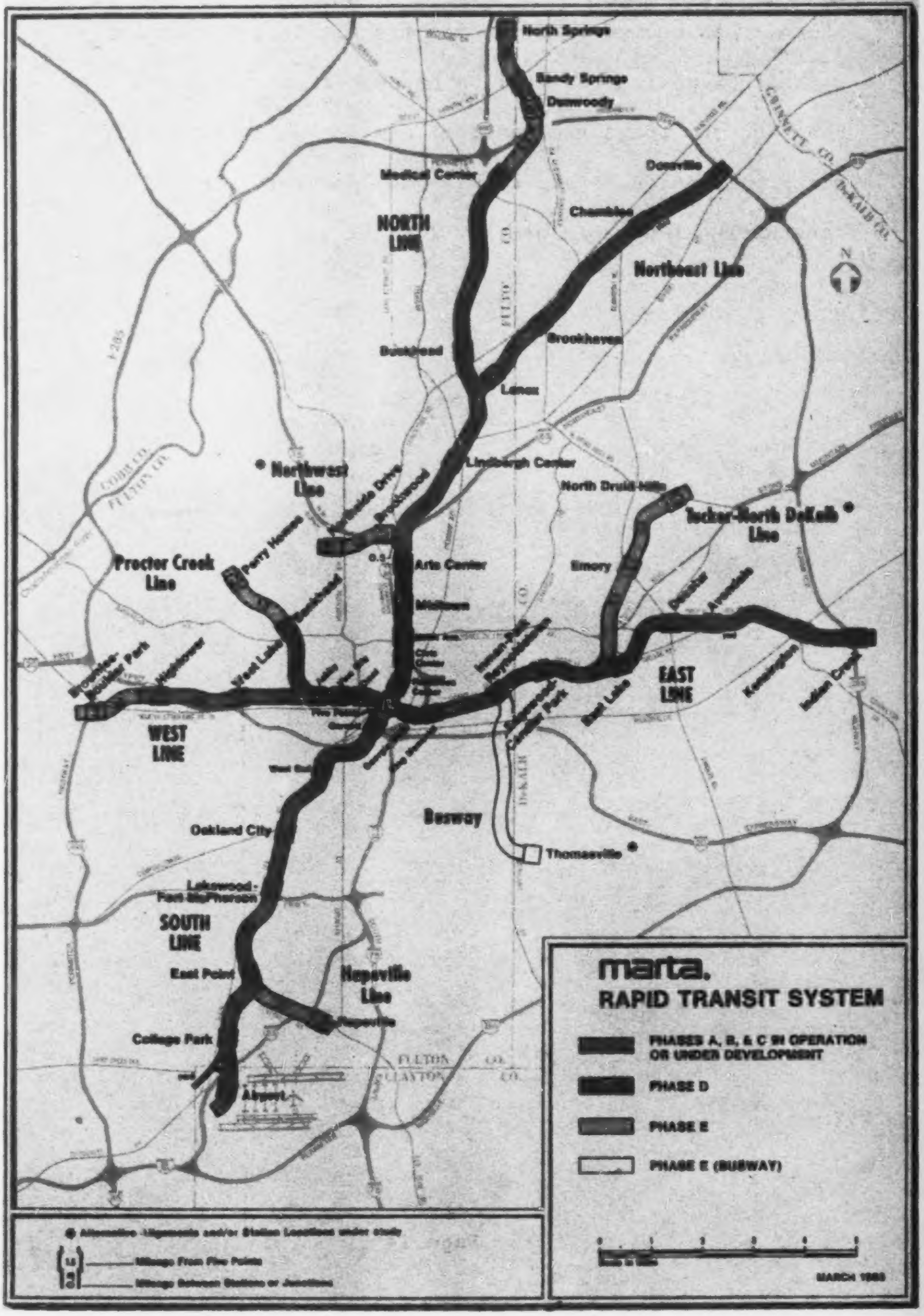
As the reauthorization process proceeds, MARTA would be grateful to the Committee if it would accept additional written material pertaining to the effect of the Reauthorization Bill on transit in the Atlanta region.

CLOSING

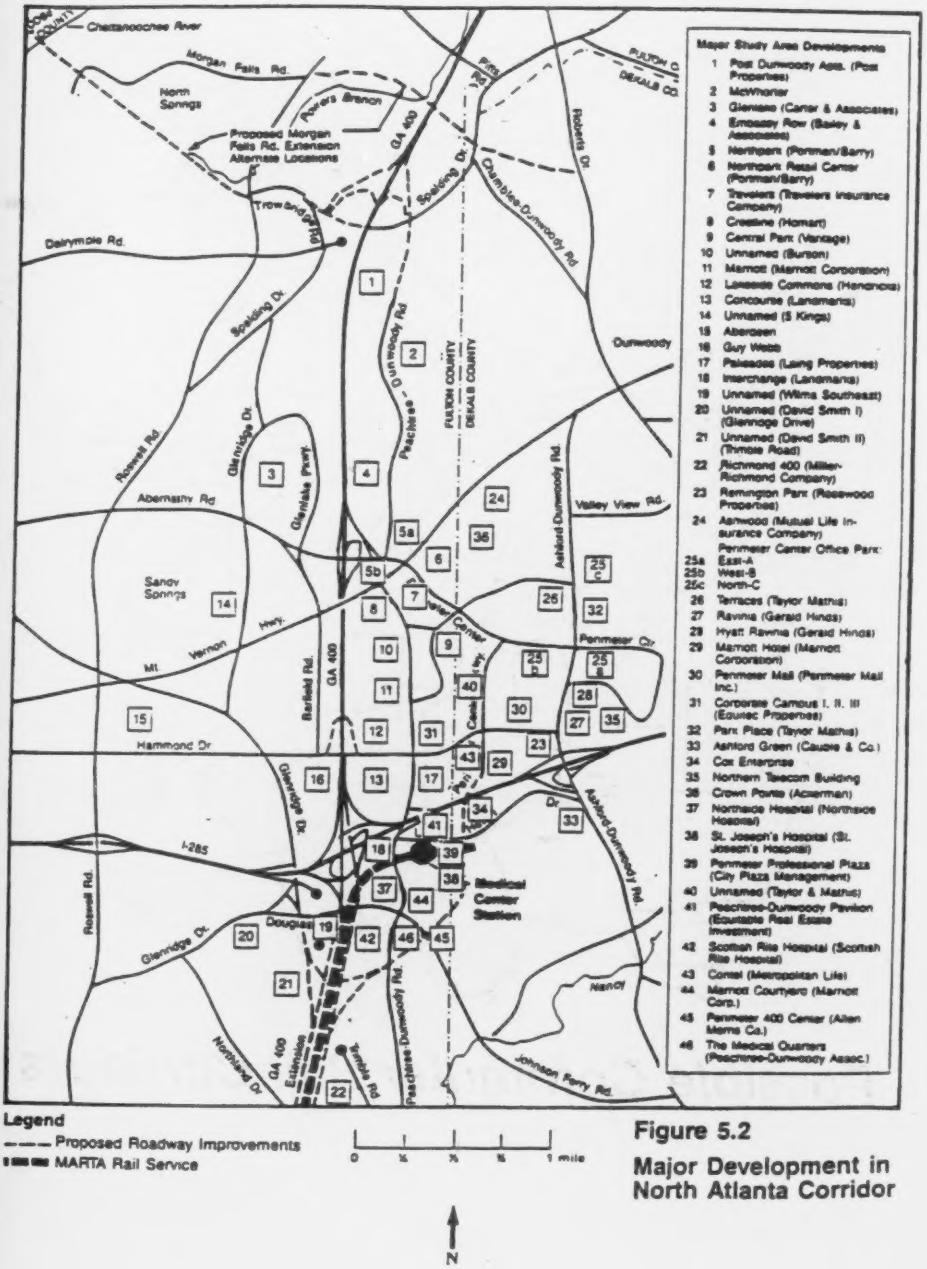
MARTA with its buses and rail system is a vital resource to the economic and physical well-being of the Atlanta region. Rapid transit is an important element of the area's transportation infrastructure.

I appreciate the opportunity to present the views of the Authority to this distinguished committee and in closing I want to thank you for all that you have done for MARTA over the years. In no small measure it is as a result of your continuing efforts on our behalf that Atlanta has become a city whose transit infrastructure is capable of moving 150 million passengers annually and handling the transit demands of a major national political party convention, a superbowl, and, possibly, an international Olympic games. I thank you.

Attachment #1


North Springs
Sandy Springs
Dunwoody
Medical Center
Doraville
Chamblee
NORTH LINE
Northeast Line
Brookhaven
Buckhead
Lenox
Lindbergh Center
North Druid Hills
Northwest Line
Northside Drive
Brookwood
Tucker-North DeKalb Line
Perry Homes
Arts Center
Emory
Proctor Creek Line
Bankhead
Midtown
West Lake
Decatur
Avondale
Hightower
EAST LINE
Brownlee-Boulder Park
East Lake
Kensington
Indian Creek
Five Points
Georgia State
King Memorial
Inman Park-Reynoldstown
Edgewood-Candler Park
WEST LINE
West End
Oakland City
Busway
Thomasville
Lakewood-Fort McPherson
SOUTH LINE
East Point
Hapeville Line
Hapeville
College Park
Airport
FULTON CO.
CLAYTON CO.
COBB CO.
DeKALB CO.
GWINNETT CO.
I-285
N
marta.
RAPID TRANSIT SYSTEM
PHASES A, B, & C IN OPERATION OR UNDER DEVELOPMENT
PHASE D
PHASE E
PHASE E (BUSWAY)
0
1
2
3
4
5
Scale in Miles
MARCH 1983
Alternative Alignments and/or Station Locations under study
Mileage From Five Points
Mileage Between Stations or Junctions

ATTACHMENT #2


Cobb County
Chattahoochee River
Morgan Falls Rd.
North Springs
Powers Branch
Proposed Morgan Falls Rd. Extension Alternate Locations
Trowbridge Rd
GA 400
Pitts Rd
Spalding Dr.
Chamblee-Dunwoody Rd
Roberts Dr.
Fulton Co.
DeKalb Co.
Dalrymple Rd.
Spalding Dr.
Peachtree-Dunwoody Rd
Fulton County
DeKalb County
Dunwoody
Roswell Rd.
Glenridge Dr.
Glenlake Pkwy.
Abernathy Rd
Ashford-Dunwoody Rd.
Valley View Rd.
Sandy Springs
Mt. Vernon Hwy.
Perimeter Center
Perimeter Ctr
Barfield Rd.
GA 400
Hammond Dr
Glenridge Dr.
I-285
Roswell Rd.
Glenridge Dr.
Douglas
Medical Center Station
Ashford-Dunwoody Rd.
Nancy
Northland Dr.
GA 400 Extension
Trimble Rd
Peachtree-Dunwoody Rd.
Johnson Ferry Rd.
1
2
3
4
5a
5b
6
7
8
9
10
11
12
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14
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16
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18
19
20
21
22
24
25 C
25 D
25 E
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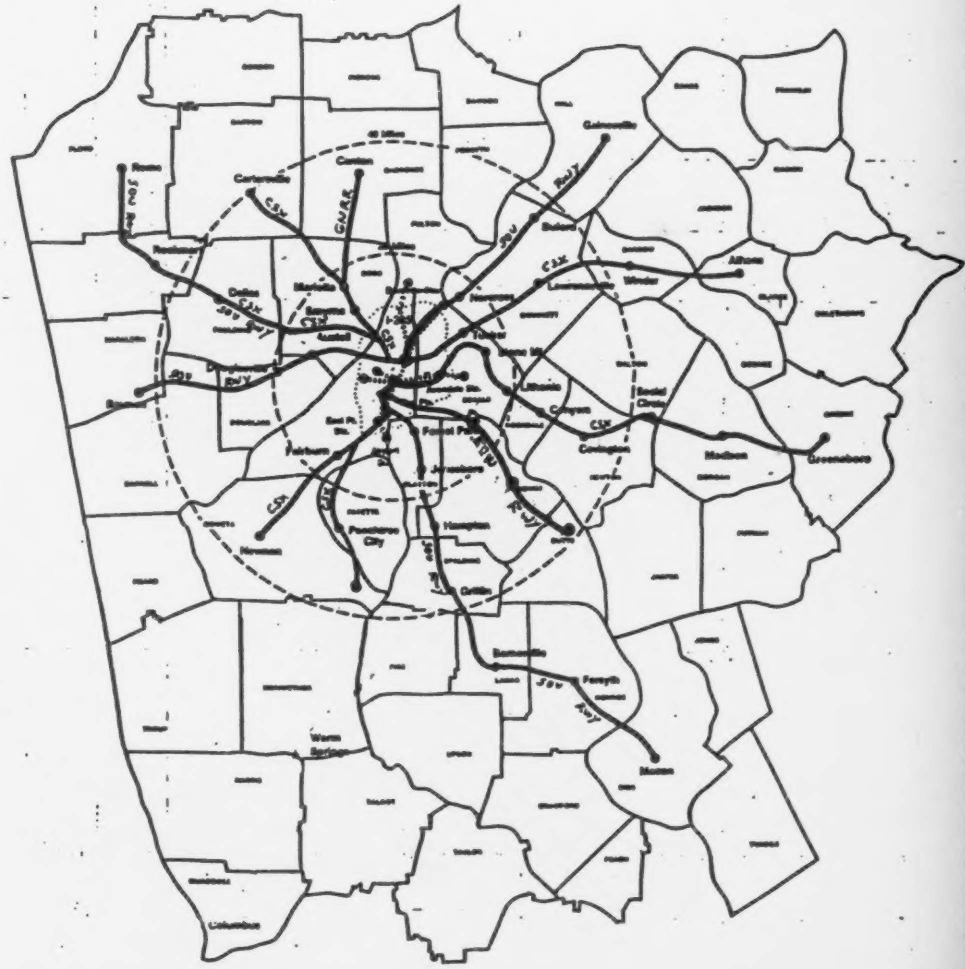
41
42
43
44
45
46
Major Study Area Developments
1 Post Dunwoody Apts. (Post Properties)
2 McWhorter
3 Glenlake (Carter & Associates)
4 Embassy Row (Bailey & Associates)
5 Northpark (Portman/Barry)
6 Northpark Retail Center (Portman/Barry)
7 Travelers (Travelers Insurance Company)
8 Crestline (Homart)
9 Central Park (Vantage)
10 Unnamed (Burson)
11 Marriott (Marriott Corporation)
12 Lakeside Commons (Hendricks)
13 Concourse (Landmarks)
14 Unnamed (5 Kings)
15 Aberdeen
16 Guy Webb
17 Palisades (Laing Properties)
18 Interchange (Landmarks)
19 Unnamed (Wilma Southeast)
20 Unnamed (David Smith I) (Glenridge Drive)
21 Unnamed (David Smith II) (Trimble Road)
22 Richmond 400 (Miller-Richmond Company)
23 Remington Park (Rosewood Properties)
24 Ashwood (Mutual Life Insurance Company)
Perimeter Center Office Park:
25a East-A
25b West-B
25c North-C
26 Terraces (Taylor Mathis)
27 Ravinia (Gerald Hines)
28 Hyatt Ravinia (Gerald Hines)
29 Marriott Hotel (Marriott Corporation)
30 Perimeter Mall (Perimeter Mall Inc.)
31 Corporate Campus I, II, III (Equitec Properties)
32 Park Place (Taylor Mathis)
33 Ashford Green (Cauble & Co.)
34 Cox Enterprise
35 Northern Telecom Building
36 Crown Pointe (Ackerman)
37 Northside Hospital (Northside Hospital)
38 St. Joseph's Hospital (St. Joseph's Hospital)
39 Perimeter Professional Plaza (City Plaza Management)
40 Unnamed (Taylor & Mathis)
41 Peachtree-Dunwoody Pavilion (Equitable Real Estate Investment)
42 Scottish Rite Hospital (Scottish Rite Hospital)
43 Contel (Metropolitan Life)
44 Marriott Courtyard (Marriott Corp.)
45 Perimeter 400 Center (Allen Morris Co.)
46 The Medical Quarters (Peachtree-Dunwoody Assoc.)
Legend
Proposed Roadway Improvements
MARTA Rail Service
0
¼
½
¾
1 mile
N

Figure 5.2

Major Development in North Atlanta Corridor

ATTACHMENT #3


40 Miles
Rome
Cartersville
Canton
Gainesville
Buford
Athens
Winder
Lawrenceville
Marietta
Smyrna
Austell
Dallas
Douglasville
Bremen
Tucker
Stone Mt.
Lithonia
Conyers
Covington
Social Circle
Madison
Greensboro
East Pt. Sta.
Forest Park
Fairburn
Jonesboro
Newnan
Peachtree City
Hampton
Griffin
Barnesville
Forsyth
Macon
Warm Springs
Columbus
CSX
GNRR
Sou Rwy

Possible Commuter Rail Corridors

A TESTIMONY BEFORE THE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION
OF THE U.S. HOUSE OF REPRESENTATIVES

SUBJECT: INFRASTRUCTURE NEEDS OF THE 5TH CONGRESSIONAL DISTRICT OF GEORGIA

PRESENTED TO: CONGRESSMAN JOHN LEWIS

PRESENTED BY: BRAD HUBBERT

TOPIC: MBE, DBE AND WBE FEDERAL PROGRAMS

THERE ARE SEVERAL POINTS WHICH NEED TO BE DISCUSSED:

1. *JUSTIFICATION AND PURPOSE OF THE PROGRAM - DO WE IN THE UNITED STATES NEED A DBE PROGRAM?*
2. *THE STRUCTURE OF THE PROGRAM*
3. *PROCESS AND CRITERIA FOR QUALIFICATION/CERTIFICATION FOR PARTICIPATION IN THE PROGRAM*
4. *EVALUATION AND MONITORING OF THE PROGRAM*
5. *POLICY ESTABLISHING ADMINISTRATIVE INCENTIVES*
6. *PENALTIES FOR MISUSE AND ABUSE OF BOTH FUNDS AND PROGRAM*
    - *A. FOR STATES*
    - *B. FOR PRIME CONTRACTORS*
    - *C. FOR PROGRAM CONTRACTORS*

MR. CHAIRMAN AND COMMITTEE MEMBERS, I AM INDEED DELIGHTED TO HAVE SUCH AN OPPORTUNITY TO TESTIFY ON AN ISSUE I VIEW AS A TREMENDOUS CHALLENGE. I AM ALSO SADDENED THAT WE HAVE SO LITTLE TIME TO SHARE SO MUCH INFORMATION: INFORMATION THAT COULD SET POLICIES FOR MANY YEARS AND EVEN DECADES WHICH COULD AFFECT SO MANY LIVES.

I. JUSTIFICATION AND PURPOSE

THIS IS A MUCH NEEDED AND VERY WORTHWHILE PROGRAM IF:

1. THERE IS TRULY A SINCERE COMMITMENT TO THE PROGRAM'S SUCCESS.

2. THE COMMITMENT IS DEMONSTRATED IN SEVERAL WAYS:

    a. THE APPROPRIATION OF SUBSTANTIAL AND ADEQUATE FINANCIAL RESOURCES,

    b. THE STRUCTURE OF THE PROGRAM,

    c. THE PERCENTAGE GOALS

    d. THE DESIGN OF THE CERTIFICATION PROCESS

    e. THE DESIGN OF THE EVALUATION AND MONITORING PROCESS

    f. THE SYSTEM FOR REWARDS AND/OR PENALTIES FOR ABUSE OF OR MISUSE OF FUNDS IN THE PROGRAM.

I AM OF THE OPINION THAT SUCH A PROGRAM IS CRITICALLY IMPORTANT AND THAT LITTLE OR NO ACTION ON IT WILL LEAD TO PHYSICAL CONFRONTATION IN THE FUTURE.

SOME PLACE, BURIED DEEP IN OUR COUNTRY'S CONSTITUTION, IS THE STATEMENT THAT ALL CITIZENS SHOULD HAVE EQUAL ACCESS TO LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS, WHICH, CLEARLY INCLUDES

EQUAL ACCESS TO ECONOMIC OPPORTUNITY. IT IS IMPERATIVE THAT OUR LEADERS REALIZE THAT A SERIOUS EFFORT MUST BE MADE TO NARROW THE GAP BETWEEN THE "HAVES" AND THE "HAVE-NOTS" DESIRING TO WORK WITH INTEGRITY IN A JUST ECONOMIC SYSTEM.

IN MY DISCUSSIONS WITH VARIOUS ENTITIES IN THE CONSTRUCTION INDUSTRY, FREQUENTLY THE STATEMENT IS MADE THAT "IF THERE WASN'T A FEDERAL DBE PROGRAM, WE WOULD NOT BE USING ANY MBE FIRMS." I BELIEVE THAT THIS STATEMENT IS A TRUE REFLECTION OF THE GENUINE SENTIMENT THAT PROPOSES TO OMIT THE TREMENDOUS CAPABILITY RESIDENTS IN THE MINORITY COMMUNITY. IF YOU TAKE A LOOK AT ALL OF GEORGIA'S STATE HIGHWAY CONSTRUCTION PROJECTS WHERE THERE ARE NO FEDERAL DOLLARS BEING USED; THERE IS NO FEDERAL GOAL, AND IN THE ABSENCE OF A MANDATED GOAL, RATHER THAN ESTABLISH A GOAL REPRESENTATIVE OF THE STATE'S POPULATION, THE LOCAL GOAL IS ZERO, AND THERE ARE NO DBE'S BEING USED IN AT LEAST 98% OF THE PROJECTS.

SOMETHING IS SERIOUSLY WRONG WITH OUR NATIONAL PRIORITIES WHEN WE CAN SPEND BILLIONS AND BILLIONS OF DOLLARS AND ALLOCATE SOME OF THE BEST MINDS TO THE SPACE PROGRAM, AND STILL HAVE MAJOR

MISTAKES, SUCH AS THAT OF THE HUBBLE TELESCOPE, AND YET CANNOT SPEND ONE BILLION ON 30% OF OUR POPULATION TO MAKE SURE THAT THEY HAVE EQUAL ACCESS TO ECONOMIC OPPORTUNITY IN THIS COUNTRY.

I AM OF THE OPINION THAT A SOUNDLY FUNDED AND ADMINISTERED DBE PROGRAM WOULD GREATLY ENHANCE THE SIZE OF OUR TAX DIGEST AND SIGNIFICANTLY REDUCE OUR TAX BURDEN. MORE IMPORTANTLY, IT WOULD GIVE EACH PARTICIPATING DBE A SENSE OF MEANINGFUL PARTICIPATION IN OUR NATION'S ECONOMY—AND THIS IS A POWERFUL MESSAGE. DBE'S IN GEORGIA SHARE THIS DESIRE WITH PEOPLE AROUND THE WORLD—WHETHER EAST BERLIN OR CZECHOSLOVAKIA. RECENTLY MAJOR SHIFTS IN GOVERNMENTS THROUGHOUT THE WORLD HAVE SHOWN US THAT THE AVERAGE CITIZEN WANTS TO BE GOVERNED UNDER A DEMOCRATIC PROCESS—WHICH MEANS A GOVERNMENT RUN FOR THE PEOPLE AND BY THE PEOPLE.

THE GLOBAL CHALLENGE OF THE FUTURE AS I SEE IT WILL BE TO DETERMINE WHICH COUNTRIES WILL SUCCESSFULLY INTRODUCE THE MOST PRODUCTIVE AND BALANCED DEMOCRATIC PARTICIPATION FOR ALL OF ITS ETHINIC

MINORITIES---WHICH COUNTRIES WILL HAVE THE LARGEST NUMBER OF CITIZENS BEING TRULY PRODUCTIVE, FEELING THAT THEY ARE TRULY IMPORTANT, BECAUSE THEY ARE MAKING A SIGNIFICANT CONTRIBUTION TO SOCIETY.

II. STRUCTURE OF THE PROGRAM

THE PROGRAM SHOULD CONTAIN THREE SECTIONS, TO ENSURE THAT IT IS COMPLETE AND COMPREHENSIVE.

A. SECTION I: MINORITY BUSINESS ENTERPRISE - THE PARTICIPATION GOAL SHOULD BE A MINIMUM OF TWELVE PERCENT (12%).

B. SECTION II: WOMENS' BUSINESS ENTERPRISE - THE GOAL SHOULD BE A MINIMUM OF EIGHT PERCENT (8%).

C. SECTION III: DISADVANTAGED BUSINESS ENTERPRISE - THE GOAL SHOULD BE SET AT FIVE PERCENT (5%).

UNDER EACH SECTION THERE SHOULD BE STRICT GUIDELINES FOR QUALIFYING. THERE ALSO SHOULD BE CONSISTENT INTERPRETATIONS OF WHAT CONSTITUTES A PERSON BEING ELIGIBLE FOR THESE CLASSIFICATIONS.

BONDING

THERE SHOULD BE A WELL DEFINED BOND ASSISTANCE PROGRAM IN PLACE TO HELP THOSE PERSONS IN THE DBE PROGRAM WHO ARE SUCCESSFUL CONTRACT AWARDEES.

OPERATING CAPITAL

THERE SHOULD BE A WELL DESIGNED PROGRAM TO PROVIDE SHORT TERM LOANS AND LINES OF CREDIT.

MINORITY CONTRACTORS, FOR THE MOST PART, CANNOT FIND OR DO NOT HAVE ACCESS TO SUFFICIENT OPERATING CAPITAL. FURTHERMORE, IF THEY ARE SUCCESSFUL IN FINDING CAPITAL, IT IS FREQUENTLY SO EXPENSIVE THAT INTEREST COSTS CONSUME ALL PROFITS BY THE END OF THE CONTRACT.

IN ADDITION, MOST OF THESE CONTRACTORS ARE IN A SUB-CONTRACTING POSITION, OR EVEN A SUB-SUB-CONTRACTING ARRANGEMENT WHICH PREVENTS MOST LENDING INSTITUTIONS FROM EXTENDING CREDIT ON THE CONTRACT.

IN MANY CASES, THE PRIME CONTRACTOR WILL HOLD THE SUBCONTRACTOR'S MONEY EVEN AFTER THE PRIME HAS BEEN PAID, AND AFTER THE SUBCONTRACTOR HAS SUCCESSFULLY COMPLETED THE PROJECT.

THEREFORE, IF WE ARE SERIOUS ABOUT A PROGRAM, WE NEED A PROGRAM THAT INCLUDES ALL COMPONENTS NECESSARY TO ADDRESS AND REMEDY THE ABOVE CONCERNS. A HEALTHY, FUNCTIONING BUSINESS IS SIMILAR TO A HUMAN BEING---IT CONSISTS OF THREE MAJOR COMPONENTS: THE INSPIRED AND THINKING BRAIN, THE WORKING AND PRODUCTIVE PHYSICAL BODY, AND THE SPIRITUAL SOUL. IN BUSINESS WE NEED THE INSPIRATION AND MOTIVATION PROVIDED BY A DYNAMIC ACCESS TO ECONOMIC OPPORTUNITIES (SIMILAR TO THE BRAIN), THE ACCESS TO CAPITAL WHICH PROVIDES THE WHEREWITHALL TO BE PRODUCTIVE (THE BODY), AND THE ACCESS TO BONDING WHICH GUARANTEES INTEGRITY, (THE SOUL).

IN THE PAST, WE HAVE BEEN SUPPLIED PIECEMEAL WITH THESE VARIOUS COMPONENTS, WITH ONE OR MORE FREQUENTLY MISSING OR POORLY DEVELOPED. WE MUST COMMIT TO MAKING THE PROGRAM ROBUST AND HEALTHY BY PROVIDING ALL THREE AT ONE TIME.

III. PROCESS AND CRITERIA FOR QUALIFICATION AND CERTIFICATION

THERE SHOULD BE VERY DEFINITE AND SPECIFIC GUIDELINES FOR PARTICIPATION IN THE PROGRAM, THESE GUIDELINES SHOULD FOLLOW THE DEFINITIONS OF MBE, WBE, AND DBE BEFORE BEING CERTIFIED WITH DOT:

A. A COMPANY SHOULD BE IN BUSINESS FOR A MINIMUM OF ONE YEAR.

B. A COMPANY SHOULD HAVE PERFORMED A MINIMUM OF $50,000 OF CONSTRUCTION WORK IN THE MOST RECENT CALENDAR YEAR OR A COMBINED AGGREGATE OF $50,000 IN CONSTRUCTION WORK IN THE PAST TWO YEARS.

C. DAY-TO-DAY OPERATION—THE HEAD OF THE COMPANY MUST DEMONSTRATE GENUINE AND MEANINGFUL PARTICIPATION ON A DAY-TO-DAY BASIS. THE PERSON MUST BE EVALUATED ON A DAY-TO-DAY BASIS. THEY MUST HAVE A THOROUGH WORKING KNOWLEDGE OF THE ENTIRE OPERATION. THEY MUST BE INVOLVED IN THE DAY-TO-DAY DECISION MAKING PROCESS. THEIR PARTICIPATION CANNOT BE LIMITED TO BEING LISTED AS OWNERS ON STOCK CERTIFICATES AND AS SIGNATORIES ON BANK ACCOUNTS.

THESE STANDARDS SERVE A SPECIFIC PURPOSE—THEY ELIMINATE THE PRACTICE OF ESTABLISHING "FRONT" COMPANIES OVERNIGHT AFTER

CONTRACT AWARD AND BEFORE THE CONTRACT COMMENCES.

IV. EVALUATION AND MONITORING OF THE PROGRAM

A. ON-SITE VISITS

THERE SHOULD BE FREQUENT ON-SITE VISITS ONCE A FIRM HAS BEEN CERTIFIED, TO MAKE SURE THAT THEY ARE IN COMPLIANCE. ONCE A MAJOR CONTRACT (IN THE RANGE OF $1.0 - 1.5 MILLION) HAS BEEN AWARDED TO A PRIME CONTRACTOR, THERE SHOULD BE A MID-PROJECT AUDIT AND A FINAL AUDIT OF BOTH THE CORPORATION AND THE OWNER(S) OF THE CORPORATION. THIS SHOULD BE DONE AT THE EXPENSE OF THE CORPORATION TO ENSURE THAT FUNDS FOR LEGITIMATE MINORITY PARTICIPATION INDEED WERE DISBURSED TO THAT END AND WENT WHERE THEY WERE SUPPOSED TO GO—TO LEGITIMATELY QUALIFYING RECIPIENTS.

PERSONNEL REVIEW

THERE SHOULD BE ON-GOING REVIEWS OF PERSONNEL AND PERSONNEL RECORDS DOCUMENTING INDIVIDUALS PERFORMING ON THE JOB. THERE SHOULD ALSO BE A TRACKING SYSTEM IN PLACE TO SEE IF A PERSON MOVES

FROM PRIME TO MBE AND BACK TO PRIME, OR IF HE MOVES ON WITH THE MBE FIRM.

V. POLICY ESTABLISHING ADMINISTRATIVE INCENTIVES

A. FOR STATES

B. FOR ADMINISTERING AGENCIES

THERE MUST BE MOTIVATION FOR A STATE OR A STATE'S ADMINISTRATORS TO MAKE A SINCERE EFFORT TO ESTABLISH A WELL FOUNDED MBE, WBE, DBE PROGRAM. WHATEVER TYPE IS PUT IN PLACE, IT MUST BE ENFORCEABLE AND ENFORCED.

FIRST, THE PROGRAM SHOULD BE A DUAL NATURE—MEANING THAT THERE SHOULD BE BOTH REWARDS AND PUNISHMENT.

WITH STATE FUNDS ALLOCATION, THIS MEANS THAT STATE APPROPRIATIONS SHOULD BE DESIGNED SO THAT ALL PARTIES STAND TO BENEFIT IF THE PROGRAM IS A SUCCESS--FIRST THE MBE/WBE/DBE, FOLLOWED BY THE STATE'S LEADERS, THE PRIME CONTRACTOR, AND THE CITIZENS OF THAT STATE. IF ALL OF THESE PERSONS STAND TO BENEFIT, WHAT GROUP WOULD HAVE

AN INTEREST IN WORKING AGAINST THE PROGRAM?

SALARY INCENTIVES--SUCCESSIVE SALARY RAISES FOR DEPARTMENT HEADS AND/OR COMMISSIONERS SHOULD BE ADJUSTED WITH A FACTOR REFLECTING HOW WELL HIS/HER MINORITY PARTICIPATION PROGRAM IS DOING.

VI. PENALTIES FOR MISUSE AND ABUSE OF FUNDS AND PROGRAMS

A. FOR STATES

B. FOR PRIME CONTRACTORS

C. FOR PROGRAM CONTRACTORS

THERE SHOULD BE PENALTIES FOR ANY AND ALL PERSONS WHO MISUSE FUNDS OR THE PROGRAM. PERSONS WHO FALSIFY INFORMATION TO GET INTO THE PROGRAM SHOULD BE FINED. PROGRAM CONTRACTORS WHO QUALIFY BUT PARTICIPATE IN A "PHONY" ORGANIZATION SHOULD BE DISQUALIFIED AND NOT ALLOWED TO PARTICIPATE ON STATE PROJECTS FOR TWO YEARS AFTER COMPLETING THEIR LAST CONTRACT WITH THE STATE. AN OFFENDING PRIME CONTRACTOR SHOULD NOT BE ALLOWED TO PARTICIPATE IN A SIMILAR PROGRAM FOR A MINIMUM OF ONE YEAR

AFTER COMPLETION OF HIS/HER LAST CONTRACT WITH THE STATE. THERE SHOULD ALSO BE PROCEDURES FOR RECOVERY OF FUNDS THAT HAVE BEEN EXPENDED TO THE PHONY ORGANIZATION.

FOCUS

OUR FOCUS IS ON HELPING MBE. THAT'S ONE REASON, BUT THERE ARE SEVERAL BROADER AND MORE IN DEPTH REASONS WHICH ARE:

1. *WE'LL REDUCE THE NUMBER OF PERSONS IN THE UNEMPLOYMENT LINES.*
2. *WE'LL REDUCE THE NUMBER OF PERSONS ON WELFARE.*
3. *WE'LL REDUCE THE NUMBER OF PERSONS INCARCERATED.*
4. *WE'LL PROBABLY REDUCE THE NUMBER OF CRIMES COMMITTED.*
5. *WE'LL TRULY REDISTRIBUTE THE TAX BURDEN.*

A PROGRAM WHICH DELIVERS ALL THESE BENEFITS IS TRULY A PROGRAM WHERE EVERY AMERICAN CITIZEN WOULD BE THE BENEFACTOR.

THESE ARE THE REASONS I FEEL THAT A DBE PROGRAM IS A MUST, NOT LATER, BUT RIGHT NOW.

MR. CHAIRMAN, IN CLOSING, THIS IS MY 2ND SUCH COMMITTEE HEARING THIS YEAR, AND IT REMINDS ME OF A LONE VOICE IN THE WILDERNESS CRYING FOR HELP AND THE ONLY SOUND IS THE ECHO OF HIS CALL. WE ARE HOPEFUL THAT SOME SERIOUS ACTION WILL BE TAKEN.

CHAIRMAN LOMAX'S BRIEFING PAPER
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
REGIONAL HEARING: FUTURE U.S. INFRASTRUCTURE NEEDS
WEDNESDAY, AUGUST 8, 1990 -- 9 A.M.
ATLANTA CITY HALL COUNCIL CHAMBERS

-- I WANT TO SAY TO THE DISTINGUISHED MEMBERS OF THIS COMMITTEE THAT YOUR HEARING COULD NOT HAVE COME AT A MORE TIMELY OR CRITICAL MOMENT FOR US. THIS REGION'S GROWTH WILL BE STOPPED DEAD IN ITS TRACKS UNLESS IT HAS ADEQUATE WATER RESOURCES TO ACCOMMODATE THE RESIDENTIAL AND BUSINESS POPULATION MIGRATION WE ARE EXPECTING OVER THE NEXT TWO DECADES. THE ATLANTA REGIONAL COMMISSION HAS ESTIMATED THAT METRO ATLANTA

WILL NEED 40% MORE WATER THAN IT NOW GENERATES IN ORDER TO SATISFY THOSE GROWTH PROJECTIONS.

NOW, HOWEVER, WE FACE A LEGAL WHIPSAWING ACTION FROM TWO OF OUR NEIGHBORING STATES WHICH, IF SUCCESSFUL, WOULD MAKE THIS A STAGNANT, NO-GROWTH METROPOLIS. WE HAVE MADE A MORE THAN REASONABLE REQUEST THAT A GREATER PERCENTAGE OF THE

CHATTAHOOCHEE BE RE-ALLOCATED AWAY FROM POWER GENERATION AND RECREATION INTO CLEAN WATER SUPPLY FOR OUR MOST BASIC HEALTH AND SAFETY NEEDS. THE RIVER IS PRIMARILY A RESOURCE FOR GEORGIA, AND WE DESERVE TO BE ABLE TO TAP INTO IT FOR OUR LEGITIMATE REQUIREMENTS. I AM MAKING AN URGENT PLEA TO THIS COMMITTEE TO SUPPORT US IN THIS STRUGGLE, WHICH WE DID NOT INSTIGATE AND DO NOT WELCOME.

THIS SUMMER'S WATER-DISTRIBUTION CRISIS PERFECTLY UNDERSCORES MY POINT. FULTON COUNTY IS DOING ITS PART TO EASE THE PRESSURE, WITH THE CONSTRUCTION OF WATER-LOOP AND WATER TREATMENT PLANTS IN NORTH FULTON. RIGHT NOW, OUR PUBLIC WORKS DEPARTMENT IS FINISHING AN ANALYSIS OF OUR WATER RATE STRUCTURE WHICH WILL LEAD US TO REFORM OUR WATER PRICING POLICIES SO THAT WE DO NOT PENALIZE CONSERVATION AND

REWARD PROFLIGACY. NOW, IT'S YOUR TURN TO SUPPLEMENT OUR OWN GOOD-FAITH ACTIONS WITH YOUR ENDORSEMENT OF OUR POSITION. NOTHING LESS THAN OUR FUTURE IS AT STAKE.

THERE'S ALSO A CRYING NEED, HERE AND ALL OVER THE NATION, FOR THE TECHNOLOGICAL BREAKTHROUGHS THAT WILL GIVE US AFFORDABLE OPTIONS TO LANDFILLING. EVERY DAY, WE ARE HAVING GARBAGE TRUCKED TO SOUTH GEORGIA BECAUSE THE MEGAGROWTH AREA OF OUR COUNTY WOULD NOT ALLOW US TO DEVELOP A DESPERATELY-NEEDED REPLACEMENT LANDFILL. AT PRESENT, HOWEVER, THERE ARE NO ALTERNATIVES -- INCLUDING INCINERATION -- WHICH DON'T REQUIRE SOME MEASURE OF LANDFILLING AND/OR POSE A HEALTH RISK OF SOME SORT.

IT IS IMPERATIVE, THEN, THAT RESEARCH FUNDS AND A COMMITMENT TO THAT RESEARCH BE MADE ON THE FEDERAL LEVEL SO THAT NEW, LESS EXPENSIVE METHODS OF SOLID WASTE MANAGEMENT AND DISPOSAL ARE AVAILABLE TO US. AGAIN,, FULTON COUNTY IS DOING ITS PART TO BE A RESPONSIBLE PUBLIC CITIZEN. WE ARE CURRENTLY DEVELOPING A COMPREHENSIVE SOLID WASTE MANAGEMENT PROGRAM WHICH WILL PLACE HEAVY EMPHASIS UPON

RECYCLING. IN-HOUSE, WE IMPLEMENTED A PAPER RECYCLING OPERATION THAT IS THE FIRST OF ITS KIND AMONG COUNTY GOVERNMENTS IN THE U.S. AND WE HAVE DONATED LAND AND FUNDS TOWARDS PRIVATELY-OPERATED RECYCLING INITIATIVES UP AT MORGAN FALLS. BUT WE CAN'T SOLVE THIS DILEMMA OURSELVES, ANY MORE THAN OTHER LOCAL GOVERNMENTS CAN. WE AS A NATION ARE RUNNING OUT OF SPACE TO DISPOSE OF OUR GARBAGE. THE ENVIRONMENTAL

CONSCIOUSNESS-RAISING GOING ON IN THIS COUNTRY OUGHT TO EXTEND TO WASHINGTON IN THIS REGARD. IF WE CAN DEDICATE OURSELVES TO LAUCHING A MISSION TO ANOTHER PLANET DURING THE NEXT GENERATION, WE CAN CERTAINLY DEDICATE OURSELVES TO KEEPING THIS PLANET FROM BEING INUNDATED WITH WASTE.

WHETHER IT'S WATER, SOLID WASTE DISPOSAL

FACILITIES OR ANYTHING ELSE, WE AND OTHER LARGE URBAN GOVERNMENTS WILL BE HARD PUT TO FUND INFRASTRUCTURE IMPROVEMENTS ON A PURELY SELF-SUFFICIENT BASIS. ON A REGULAR BASIS, INFRASTRUCTURE WILL TAKE UP THE LION'S SHARE OF CAPITAL IMPROVEMENTS SPENDING IN FULTON COUNTY FOR THE 1990-1999 DECADE. PROJECTED CAPITAL PROJECTS IN FULTON WILL COST $1.46 BILLION, OF WHICH WE WILL PAY 70% ($1.02 BILLION), WHILE OTHER

SOURCES, ESPECIALLY OTHER GOVERNMENTS, WOULD PICK UP 30% ($435 MILLION). FOR STREETS AND BRIDGES ALONE, PROJECTED SPENDING FOR 1990-1999 IS $459 MILLION.

WHILE THE COUNTY TAKES IN USER CHARGES TO HELP SUPPORT WATER/SEWER FACILITIES, ITS OTHER FUNDING SOURCES ARE: 1) AN ANNUAL $3-MILLION GENERAL OBLIGATION BOND ISSUE; 2) ACCRUED SAVINGS FROM THE

GENERAL AND SPECIAL SERVICES DISTRICT FUNDS; AND 3) EXCESS CAPACITY OF THE BUILDING AUTHORITY'S $75-MILLION BONDING AUTHORITY AS OUTSTANDING DEBT IS RETIRED. HOWEVER, CAPITAL PROJECT REQUESTS FROM ACCRUED SAVINGS AND GENERAL OBLIGATION BOND FUNDS FOR THE 10-YEAR PERIOD TOTAL $886.5 MILLION, AND THE FUNDS ACTUALLY AVAILABLE FROM THOSE SOURCES DON'T COME CLOSE TO MEETING THE PROJECT DEMAND.

REALISTIC ALTERNATIVES ARE FEW: FIND NEW REVENUE SOURCES; PERSUADE COUNTY VOTERS TO APPROVE A MASSIVE GENERAL OBLIGATION BOND ISSUE TO PAY FOR REPLACING OBSOLETE AND DETERIORATED INFRASTRUCTURE; OR A COMBINATION OF BOTH.

REGIONAL COOPERATION IN AREAS SUCH AS TRANSPORTATION CAN BE HELPFUL, SUCH AS AN INTER-

CONNECTING NETWORK OF SECOND-TIER HIGHWAYS WHICH SPREADS OUT THE TRAFFIC BURDEN AMONG THE CITIES AND COUNTIES WHICH HAVE CREATED IT. ANOTHER SOLUTION, WHICH WOULD PROMOTE RAPID-RAIL TRANSIT -- IS A HIKE IN THE GASOLINE TAX WHICH FEEDS THE FEDERAL HIGHWAY TRUST FUND. MOREOVER, THAT FUND HAS UNFAIRLY BEEN HOARDED TO CAMOUFLAGE THE SIZE OF THE FEDERAL DEFICIT. YET THE MONEY BELONGS TO THE STATES AND

LOCAL GOVERNMENTS.

G.R.I.D. (GRIDLOCK RELIEF FOR INTERSTATES PROGRAM), A LEGISLATIVE PROPOSAL FROM CONGRESSMAN JOHN LEWIS, WOULD ENABLE LOCAL COMMUNITIES TO USE THEIR PORTION OF THE HIGHWAY TRUST FUNDS TO BUY RIGHTS-OF-WAY ALONG INTERSTATE CORRIDORS TO BUILD MASS-TRANSIT FACILITIES AND PARK-AND-RIDE LOTS.

THIS IS MY CONCLUSION: WE HAVE AN ALTERNATIVE REVENUE SOURCES COMMISSION IN PLACE IN FULTON COUNTY TO HELP US FIND NEW MONIES. WE HAVE HAD NO-TAX-HIKE BUDGETS THE LAST TWO YEARS. YET OUR RESPONSIBILITIES AS A LARGE URBAN GOVERNMENT CONTINUE TO GROW -- GRADY HOSPITAL, JAIL, HOMELESSNESS, PUBLIC SAFETY, ETC. -- WHILE STATE AND FEDERAL SUPPORT HAS SHRUNK. THE ONLY WAY WE CAN REBUILD OURSELVES, LITERALLY, IS THROUGH A

FULL PRIVATE/PUBLIC SECTOR PARTNERSHIP ON THE FUNDING, PLANNING AND CONSULTATIVE LEVELS -- SO THAT A COORDINATED POLICY FOR REBUILDING AMERICA EMERGES.

Statement of

John R. Martin

President

National Association of Railroad Passengers

Before the Committee on Public Works and Transportation

U. S. House of Representatives

Infrastructure Needs of the 5th Congressional District of Georgia

August 8, 1990
Atlanta City Council Chambers

Thank you for this opportunity to present the views of our non-profit, consumer-oriented organization, which for 23 years has been promoting "balanced transportation." I am John R. Martin. I have been president of the National Association of Railroad Passengers (NARP) since 1979 and have served on our board of directors since 1975.

The Association's primary goal is improvement and expansion of rail passenger service of all types. We have a special project, the Campaign for New Transportation Priorities, works with other organizations on a broad range of issues including passenger rail, increased federal funding for mass transit in general, and equitable treatment of freight railroads vs. their competitors. "Equitable treatment" means, among other things, trucks and water carriers paying 100% of their infrastructure costs, just as railroads do. (We favor a national weight-distance tax on trucks.)

Attached to my statement is the Campaign's brochure, "A New Transportation Vision," which has been endorsed by the 28 organizations listed in the appendix at the end of this statement.

Scenic America has been one of the most active organizations in the Campaign. On behalf of Scenic America and our own members, we thank you, Mr. Chairman, for introducing H.R. 3389, the Billboard Control Act, last October. This progressive, long-overdue legislation, would restore the billboard-removal process to local control, prohibit new billboards along federal-aid highways, and prohibit "vegetation control" (i.e., cutting of trees on public land to improve billboards' visibility).

ENERGY EFFICIENCY, NATIONAL SECURITY, AND THE ENVIRONMENT

The Iraqi invasion of Kuwait and recent reports that U. S. oil imports now account for 49.9% of our oil consumption remind us of the importance of improving the energy efficiency of our transportation system.

Oak Ridge National Laboratory figures indicate airlines used 1.9 times more energy per passenger-mile than did Amtrak in 1987 (up from 1.8 in 1984); Amtrak would look even better if it had more track that could support speeds above 80 mph. Oak Ridge also says big trucks used 4.3 times more energy per ton-mile than freight trains in 1987 (up from 3.2 in 1984).

The more emphasis we place on the most energy-efficient modes, the less vulnerable we will be to future oil shortages. Also, improved energy-efficiency means a cleaner environment and moves the nation towards attainment of clean air goals.

We are frustrated by President Bush's position that serious action to address global warming should await further study. As the British ambassador to the United Nations noted in a July 29 radio interview, most of the actions that would address global warming make good sense for other reasons as well.

An increased emphasis on public transportation and incentives to use it would insure mobility for all--not just those who have access to cars--an increasingly important consideration as the average age of our population rises. Such an emphasis also would make our transportation system safer and less vulnerable to bad weather. In particular, many parents, aware of the safety records of teen-aged drivers, wish they did not have to give the car keys to their youngsters so often. Since even teen-agers take rail transit more seriously than buses, the more extensive a region's rail network the more often parents can hold on to their keys and "make" the kids use transit.

Mr. Sununu, in ridiculing environmentalists' transportation views, says Americans don't want to be forced out of their cars. We are not suggesting that Americans be forced out of their cars. We ask only that substantial public policy incentives to overuse the private auto be reversed. We think such a reversal would best serve the long-term interests of auto users and present and future transit users.

NEEDED POLICY CHANGES

1. **INTERCITY RAIL PASSENGER:** We support Amtrak President Claytor's suggestion that a penny of the federal gasoline tax be earmarked for Amtrak. We would take that one step further and suggest 2 "railroad" gasoline tax pennies--one to Amtrak for capital investment, the other to serve as federal matching funds for state rail projects, including Amtrak-related projects.

State and local transportation investments are heavily influenced by the availability of federal funds. As one state rail official told our executive director, "the first question they ask when I go to the state capitol is: how many federal dollars will your project get us?" So far, the answer for most railroad projects is "none."

Atlanta could benefit greatly from such a policy, since initiation of the Chicago-Atlanta-Florida service--which the Atlanta Chamber of Commerce and our members are working hard to promote--depends on securing new sources of rail project funding.

Lack of federal matching funds may be a key reason why nothing so far has come of the Georgia Rail Passenger Authority Act, despite the high hopes for new services (such as Atlanta-Savannah) which accompanied its passage. (If Atlanta secures the 1996 Summer Olympics, whose water events would take place in Savannah, the lack of good Atlanta-Savannah train service would be a severe embarrassment to the state.)

2. TRANSIT. There is a vital federal stake in encouraging land-use planning and development patterns compatible with walking, bicycling, and mass transit (especially rail). The relationship between land use and transportation is two-way, of course, and we think rail does the better job of encouraging energy-efficient development patterns. Transit stations should have secure bicycle-parking facilities and be served by good bicycle-trail networks.

We support the American Public Transit Association's call for 7 gasoline-tax cents to be devoted to transit. Presently-available funding falls far shorter of what is needed for rail transit than for highways. In fact, an April 25, 1989, Federal Register notice from UMTA admits that "Federal funding availability will not [even] be sufficient to support all" new rail proposals that meet the administration's own very tight guidelines.

A sophisticated urban center such as Atlanta has diverse transport needs that require the full range of rail transit options including light rail and commuter rail. MARTA's "single-technology" heavy rail system cannot do the job alone. To fully appreciate this, one must look to Boston, Philadelphia, San Francisco, Toronto, and countless overseas cities. Also, the Baltimore and Washington areas are both augmenting their heavy rail lines with light rail (Baltimore's is under construction) and expanded commuter rail.

In Atlanta, some bus corridors (possibly including the route of the #23 Peachtree bus line) would be much better served by light rail, which combines the strong market image shared by all rail transit with the ability of the bus to run on streets and to make frequent stops at inconspicuous stations compatible with the character of residential neighborhoods.

Commuter rail using existing railroad tracks is needed for outlying suburbs. The MARTA/state study of Atlanta-Social Circle and Atlanta-Griffin-Macon 3 years ago focussed on services that would not go to downtown Atlanta but would force passengers to transfer to/from MARTA at outlying stations. (The study ignored at least one other potential commuter rail route worthy of serious review: Atlanta-Marietta-Canton.)

But there is a rough rule-of-thumb that every forced transfer cuts market potential in half. The Northern Virginia commuter rail service expected to begin next year will run through to Washington; projected commuter rail ridership was 8,000/day with through service to Washington vs. 5,400 with a forced transfer in Alexandria to/from WMATA heavy rail trains.

UMTA devotes much of its energy to propagandizing for busways and HOV lanes. We certainly support conversion of existing general-use freeway lanes to transit/carpool priority, and we admit that construction of new restricted lanes would be better than construction of new general-use lanes. But rail would probably do a more effective job in almost every busway corridor of which we are aware. Busways are notoriously ineffective in dealing with off-peak and reverse-peak travel and are vulnerable to constant political pressure to relax the restrictions. Furthermore, the revenue-to-cost ratio of buses on Virginia's Shirley Highway (which UMTA loves to praise) is only 30%.

Rail lines are usually less prone to congestion than bus operations and are more environmentally benign than HOV lanes, as electric trains emit no local air pollution and are quieter and more energy-efficient than diesel buses. Even on-street light rail operations are superior to bus: rail's strong market image enhances ridership here as well, the vehicles have greater capacity than buses (an important advantage in maximizing use of scarce peak-hour road space), and their predictable path of operation enhances traffic safety as compared with buses.

3. CLEAN AIR ACT. Please work for inclusion of the following "VMT-reducing" (vehicle-miles-traveled) provisions in the Clean Air Act conference bill: language from H.R. 3030 requiring the federal government to impose an effective air quality implementation plan when a state fails to do the job; and provisions from S. 1630 that would (a) allow a governor--with approval of the U. S. Secretary of Transportation--to transfer funds from highways to clean transportation projects; (b) require major employers in severe non-attainment areas to increase transit use and ridesharing by their employees; and (c) require transportation plans and projects to conform to state air quality implementation plans and requirements.

4. BOSTON CENTRAL ARTERY/THIRD HARBOR TUNNEL PROJECT is so expensive (almost $5 billion) that all members of Congress should have an interest in seeing that it is "done right." This project now represents one-half "the cost to complete" the nationwide Interstate system. We think inclusion of rail links both to Logan Airport and between Boston's 2 dead-end commuter rail systems should be a prerequisite for the 90% federal funding Massachusetts seeks. The commuter-rail link would also be vital to Amtrak and to New Hampshire and Maine, states that would be forever denied modern, through passenger-train service from points south of Boston if the rail link is not built.

5. THE CHICAGO THIRD AIRPORT study is not considering whether high-speed trains could divert enough short-distance air traffic to render a third airport unnecessary. The consultant is looking at rail only for downtown-new-airport links, saying "our contract is with FAA not FRA."

significantly greater use of the rail mode in the U. S.

Growing numbers of Americans are realizing that more roads and more lane-miles are not the answer to urban transportation problems. Indeed, Los Angeles has built more roads than any other metro area in the world and yet has what is arguably the world's worst transportation system; their brightest hope is the recreation of the rail transit system they destroyed a few decades ago.

So our definition of highway "needs" must be reexamined in light of the growing realization that building highways will not prevent or eliminate gridlock. As he left office, then-Secretary of Transportation James Burnley, in a Jan. 19, 1989, Journal of Commerce interview, attacked the "AASHTO iron triangle's" policy, which he summed up as: "Let's just find more grass to pave as an answer to the problems of the 21st century." Said Burnley, "The country ain't gonna buy it." I agree.

Thank you again for this opportunity to present our views. I will be happy to answer any questions.

APPENDIX: ORGANIZATIONS SUPPORTING THE CAMPAIGN FOR NEW TRANSPORTATION PRIORITIES

- Amalgamated Transit Union
- Bicycle Federation of America
- California Transit League
- Center for Auto Safety
- Chicagoland Bicycle Federation (Chicago, IL)
- Citizens Advisory Committee to the Metropolitan Transportation Authority (New York City)
- Citizens for Balanced Transportation (Denver)
- Citizens for Better Transit (Portland, OR)
- Clean Air Council (Philadelphia)
- Committee for Better Transit (New York City)
- Community & Environmental Transportation Coalition (Seattle)
- Community Transportation Association of America
- Environmental Action
- Friends of the Earth
- Institute for Transportation & Development Policy
- League of American Wheelmen
- National Association of Railroad Passengers
- National Council of Churches of Christ in the USA
- Natural Resources Defense Council
- Pedestrian Federation of America
- Peninsula Rail 2000 (Palo Alto, CA)
- Peoples Transit Organization (Monticello, FL)
- Rails-to-Trails Conservancy
- Scenic America
- Sierra Club
- Transportation Alternatives (New York City)
- Transport Workers Union
- Union of Concerned Scientists

TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

ATLANTA CITY COUNCIL CHAMBERS; AUGUST 8, 1990
Presented by Sam Massell, President of the Buckhead Coalition, Inc., and
former Mayor of the City of Atlanta

The Buckhead Coalition is a non-profit organization composed of chief executive officers of major firms in the north Atlanta community of Buckhead. Our mission is to foster orderly growth of Buckhead as well as to protect and enhance its quality of life. We believe that access to and through this area and the mobility of our citizens is of utmost importance. Our organization is presently working with the Metropolitan Atlanta Rapid Transit Authority (MARTA) to coordinate the development of its new Buckhead station. We also intend to undertake a feasibility study for constructing a monorail people mover system linking the Buckhead and Lenox MARTA stations with major employment, retail and hotel facilities within Buckhead. In addition, our organization is in the initial stage of organizing for preparation of a long range (20-year) plan for the full 28-square-mile Buckhead area, which will incorporate these transportation issues.

Buckhead has been identified as a suburban downtown. In addition to the 58,000 residents in this community, we have 70,000 jobs, and an estimated daytime population of 115,000 people (including workers, shoppers, hotel guests and medical/dental patients). In the past decade Buckhead has accounted for 40% of all new jobs and 70% of all population and housing growth within the city of Atlanta.

Presently, the commercial area of Buckhead contains approximately nine million-square-feet of offices, four million-square-feet (1,000 stores) of retail, and 4,000 hotel rooms. Well over half of all commercial and office development in Buckhead is less than 10 years old. Land assemblages and multi-use developments already zoned suggest an additional 10 million-square-feet of offices, one million-square-feet of retail, 1,800 hotel rooms, and 2,000 apartment and condominium units over the next decade.

We recognize the absolute necessity of an adequate infrastructure improvement program for the continued growth and livability of expanding urban areas such as Buckhead, and this morning we would like to relate one of these needs, and make a specific request for assistance.

Transportation is a basic infrastructure usually, but not necessarily always, provided by government. In the case of Buckhead, transportation includes both roadways for automobiles, buses and trucks; traditional rail for AMTRAK, and rapid rail for MARTA. At this time, construction is underway on the extension of GA400, a limited access state highway, and the MARTA rapid rail North line. In all likelihood, this will be the last new arterial road constructed in Buckhead for the foreseeable future. While this road will relieve substantial traffic on existing neighborhood surface streets, it serves primarily to bring people into the business center. The major future need will consist of integrating transportation modes and providing internal circulation within the Buckhead high density area.

We believe that a monorail People Mover has the best potential to both improve internal circulation and to integrate transportation modes within Buckhead. The "downtown" core of Buckhead is rapidly achieving urban densities within a wide array of land uses, including office, retail, hotel and multi-family residential development. The density and quantity of development, combined with the ability to integrate auto, bus and rapid rail transit modes gives Buckhead the ability to serve as a national demonstration project, illustrating the use of mass transit technology to achieve suburban mobility and to showcase both a private initiative and a public-private partnership.

In view of the transportation needs and opportunities within the Buckhead commercial core area, we hereby request that this area be considered for a demonstration project. This would consist of a transportation study which would address the following issues:

- Project patronage of a monorail people mover,
- Conduct both concept and preliminary engineering studies,
- Develop a preliminary route and determine right of way needs,
- Develop a phasing plan and cost estimates for each phase,
- Develop a financial plan for payment of both construction and operational costs, and
- Develop a consensus among the affected parties for an equitable formula to support the system financially.

We anticipate that a major portion of the construction and maintenance costs will be borne by owners of commercial property within the people mover corridor. The state enabling legislation for a self imposed special tax district is in place, and our preliminary estimates suggest financing could be achieved with a reasonable office and commercial rental increase of approximately $0.50-$0.60 per square foot per year.

We have reviewed our proposal with the Atlanta Chamber of Commerce and MARTA, with supportive responses from both, and we are pleased to announce the co-sponsorship of this undertaking by the Atlanta Regional Commission, the legally designated transportation planning agency for the Atlanta region.

We estimate the costs of the study to be approximately $150-175,000, and believe that the study can be completed in approximately 10-12 months. We hereby respectfully request that the Committee on Public Works and Transportation request funding for this study, preferably from funds appropriated in the current fiscal year (FY90).

We thank you for this opportunity to address this committee, and will be pleased to provide any additional information you desire.

Mr. Chairman and Members of the Committee:

My name is E.R. Mitchell, Jr., and I am the President of E.R. Mitchell Construction Company. I also serve as President of the Atlanta Chapter of the National Association of Minority Contractors. I am here to tell you about my personal experiences as a black contractor trying to make a living at what I do, and to share with you the broader scope of hurdles black contractors around the country must face each time we attempt to practice business -- barriers we must overcome that stretch beyond the ordinary challenge of submitting a successful bid.

My first experiences in the construction industry were modest. As a young boy my father enlisted my help sweeping out finished houses Saturday mornings starting at 6:30. My father, as he has told you, was diligently attempting to build a construction firm, but like most kids I was generally oblivious to his efforts. I graduated from high school and then attended college at night at Georgia State University in downtown Atlanta while working for our company as an estimator and then a project manager. However, I never intended construction to be my career. My work with my father's company was necessary to finance my education and to contribute to the family. I got my undergraduate degree in business then worked for three years as an underwriter for Allstate Insurance Company.

While I was with Allstate my perspective changed. I let my aspirations take flight. I wanted more, a greater pool of information, a broader world view. I applied to Harvard's MBA program, and I was accepted. I planned a career as an investment banker. Upon graduation, in 1980, my father sat me down and asked me to take over the firm. I realized I loved construction and I wanted to help. I felt confident I could take the company, which was faltering due to my father's health problems, and help the company take off. I was equipped with some outside emblems of success and quality -- my Harvard MBA -- and I was returning to territory I had grown up in -- construction.

One thing I hadn't counted on was racial discrimination. As a young man during the sixties who had succeeded in the larger world outside my community, it took me a long time to acknowledge that the bold facts of 1980 and 1990 were not much different from those of 1965 or 1970.

In 1980 our company's revenues were $150,000. Our estimated revenues for 1989 were $15 million. Ninety percent of our business is with the public sector, including five percent with the City of Atlanta. Ten percent of our work comes from the private sector, and then almost exclusively with minority clients. Less than one-half of one percent of our revenue is derived from majority companies. Even though most of our work comes from government sources, this is not the case industry-wide. In the overall construction market, private sector work is overwhelmingly larger than construction undertaken by the government.

We do business throughout Georgia and to a limited extent in Florida. We only maintain offices in Georgia. We have, however, aggressively sought business in Tennessee, Mississippi, Alabama, and North Carolina.

A good starting point seemed to be Army Corps of Engineers' projects which are extensive in Georgia. I did not know that only a small percent of federal construction dollars would trickle down to minorities under the DOD five pecent goal. Corps' projects were quite doable for E.R. Mitchell Construction and I saw lots of opportunity.

As a certified 8(a) firm in the Small Business Administration's Region IV, we responded to a Corps' RFP. This was an ideal project for us and as we prepared our bid, our excitement grew about possibly winning this award. We felt our chances were excellent since we had specific experience in this area over a long period of time and were capable of meeting the rigorous bonding requirements.

The first inkling of trouble came when the Corps instructed us to ignore the pricing guidelines they had established and mailed to us to help us prepare our bid. We were also told to add extra personnel and different, and expensive, equipment that was not included in the base package. We immediately became concerned that such an exception would not be equitably applied to bidders if the project was removed from 8(a) consideration and bid on the open market. We were unable to meet the Corps' price and the job was bid.

Finally the award was made. We discovered that the majority firm that received the contract had not been required to include the extra personnel and extra, expensive equipment. The Corps held our firm to a more rigid standard than the standards which a majority contractor had to fulfill. We are convinced that subtracting out the steeper costs we were required to add for personnel and equipment, our bid would have been superior.

It is impossible to successfully compete against ANY firm when the rules of the game change and some players are told to adhere to one set of rules, and other players are given more stringent rules. MBE programs provide goal-oriented assurance that the rules of the game will not change.

We have had experiences throughout Georgia which, unfortunately, repeat tenfold this contracting experience. In Albany, Georgia, contract officers have been cordial when we have inquired about 8(a) opportunities, but they remain noncommittal. We have never been called to submit a proposal even though we are, frankly, a strong, minority contractor with an extensive track record.

In Columbus, Georgia, at Fort Benning, government contracting officers generally greet our requests for information regarding contracting opportunities with hostility. Officials refuse to negotiate prices with us under the SBA program. They list an ultimatum price for us to meet, regardless of other substantiated costs we present as part of our bid.

I've been to Kings Bay, in St. Mary's, Georgia, three times. The first time word got back to me that I didn't act appropriately, that I wasn't appropriately deferential. So I have returned a couple of times. I did not get any of the hundreds of millions of dollars of work let there in the 1980's, and neither did most minority firms.

The military's uncooperative attitude toward our company is obvious and it is borne out by statistics that reflect their unwillingness to work with us. Of all the military spending in Georgia, I know of only two contracts that were set aside for minority contractors as part of the Department of

Defense's five percent goal program for small disadvantaged businesses.

Other government agencies have their own particular brand of subjectivity that discriminates against minorities. We have found, for instance, that common suppliers working on projects routinely give white subs better prices for materials than they do black subs. This happens for other projects as well. In one instance a black subcontractor came in and we compared its bid with the other bids we received and they were higher. We told them that their materials were higher and to go to the supplier and see if they could get a better quote. The supplier wouldn't give them the lower quote.

As I mentioned earlier, government contracts represent only a small percent of the construction market. Even though they constitute the source of most of our business, this is not what we desire. We are not getting private sector work because we are outside the network of white contractors who are invited to bid on projects. Private sector work is controlled by owners and developers who invite contractors to bid on their projects. This extraordinarily lucrative work amounted to $1 billion of construction in Atlanta during the last year. Our company has never been invited to bid on a large project that has an invited bidder's list (except for one City of Atlanta list and one U.S. Postal Service list). Moreover, our firm, a reputable organization, has never been included on the short list for any private development work on jobs of any size (except four or five small branch banks with C&S National Bank and Trust Company Bank. At best this is extraordinarily puzzling to me, a Harvard MBA with a decade of experience, a quality firm with a 30 year history.

By way of comparison, a Harvard classmate who graduated in the early '70s, a very nice man, started a construction firm upon graduation. He had no experience in the construction industry; his area of expertise was manufacturing. Yet, in the early 1980's, his firm was the largest active contractor in Atlanta.

In another example, a majority individual who started his construction company in 1985 is now doing $55 million worth of construction and 90 percent of their contracts were negotiated, all of them bonded. E.R. Mitchell Construction has only been able to receive a $4 million bond, this with 30 years of experience as a firm. I find this difference of experience simply amazing considering the similarity of our backgrounds.

We have assiduously pursued any and all business opportunities that we have learned about. We have an aggressive marketing and development effort with one person in our firm who makes personal contacts and phone calls, and tracks the Dodge Report information. Hoping to expand our experience in large multi-million dollar projects, I approached a major developer of a 50-story tower in Atlanta. I suggested that I would be interested in being a joint venture partner with their white general contractor. The developer responded by saying that they were philosophically opposed to joint ventures. Soon after, I learned that this developer placed a white firm as a joint venture partner with the general contractor. Wanting to personally make sure that this was in fact the case, I contacted the developer and asked why he had not been willing to give consideration to my firm as a joint venture partner for even five percent of the project when he had just happily and comfortably approved a joint venture with a white firm. The developer's response was that there were "special, changed circumstances" in the project.

In another instance, I attempted to get placed on the invited bidders list for the construction of a gymnasium at a private school in Atlanta. I saw this as an appropriate opportunity since we had just completed a similar gymnasium project for the City of Atlanta. Nevertheless we were not invited to bid on the project. Much to our amazement, the white firm with which we were joint venture partners on the City of Atlanta gym project, which is about the same size as our company, was invited to bid on the project. This majority firm got the job.

Unfortunately this same scenario of requesting to be considered to bid and then not being included has been replayed numerous times. Even with the right numbers and experience we are almost never been shortlisted on private projects, except for the bank projects. My conclusion is that qualified black firms are outside the business network of established white firms. By virtue of being outsiders to their communications loop, it is impossible to successfully bid because we remain forever strangers to white owners and developers.

We have marketed our company aggressively to private sector owners and developers by making phone calls, sending letters, and initiating personal contacts. We have committed one staff person solely to marketing our company and identifying opportunities and developing contacts. We have been unsuccessful even in getting invitations to bid on private projects. I have experienced the same problems my father did, in a world that is supposed to be substantially improved. Still black firms are not granted access to opportunities. I never imagined that I would be the second generation of Mitchell's to be fighting discrimination a quarter of a century after the passage of the Civil Rights Act.

In truth, Mr. Chairman and Members of the Committee, from where I sit "special, changed circumstances" quite clearly mean "discrimination." I am here today because I know personally and as a citizen of this great country, that we cannot allow nonsensical excuses to parade before us as anything more or less than what they are: racial discrimination.

It is important to share with you one other very important area where I have knowledge of unfair, patently discriminatory practices that inevitably restrict minority businesses from participating on an equal footing with our majority business counterparts. I am speaking here about bonding practices -- that critical insurance, performance and payment bonds, for projects which are issued by sureties.

When it comes to bonding, I've heard it all. I believe I have heard all the excuses ever offered by a bonding company for refusing to give us a bond, and because this industry is not subject to any federal scrutiny or regulation, by law they can discriminate. What I hear is:

- You don't have experience in this area.
- You don't have the required track record.
- We don't bond 8(a) contractors.
- We don't like this, but we don't bond (minority) joint venture contractors.
- You made too much money last year.
- This isn't your type of work.
- Your company is not big enough.
- Your company is too big.

And this from the dean of the Atlanta bonding industry, who was apologizing because there was no reason not to bond us:

- I'm sorry. We just can't bond you.

Yet I know of one instance in which a surety bonded a white firm in complete contravention to the surety's stated bonding guidelines.This white firm obtained a construction bond even though it had absolutely no prior experience in the type of construction for which it was being bonded. In addition, the surety provided a bond for this project in an amount 17 times greater than the financial net worth of this white construction firm. Yet qualified black construction firms that meet standard bonding requirements cannot obtain reasonable bonds.

In one project we were working on, a housing project, our white joint venture partner couldn't believe that we were not able to get bonding. That firm called our bonding company to find out what was going on. Actually, he said: Give Mitchell the bond. So we got the bond. They felt badly about this situation, but many firms do not.

How is this possible? The answer is that the bonding industry's criteria are subjective and allow for extensive subjective decision-making. These criteria create standards that are arbitrary and allow for undue discretion. Double standards are imposed on the basis of race. Federally-regulated banking requires full disclosure of practices. Sureties are so powerful they can artificially constrain the rate of MBE growth by denying bonds.

Since the Richmond v. Croson decision we have returned full circle to the nearly impossible conditions of the 1950's. Where before possibilities existed and consideration would be given during the seventies, then in the eighties documentation was necessary to show achievement of goals, now again we find ourselves in the position where people tell us it is illegal for us to joint venture with you. Now people have a license to interpret inclusion of minorities as illegal.

The National Association of Minority Contractors (NAMC) is a trade association of general and subcontractors whose membership is approximately 99 percent black. We represent some 3,000 companies nationwide, about 150 in Atlanta. NAMC came into existence because the Associated General Contractors (the AGC) and the American Subcontractors Association (ASA) devote themselves to the needs of majority contractors and, we believe, work to undermine the entrance of minority contractors into the lucrative construction field.

I fervently believe that a company that is competent, honest, and delivers a quality product will prosper -- in a world where there are no undue barriers. Unfortunately this is not the case for minority firms. Insurmountable barriers currently prevent capable minority firms from obtaining work. Since 1980 I have seen several black construction firms frustrated out the the market and out of business because of discrimination. Fair opportunities are necessary for businesses to operate fairly. Currently NAMC has found that discrimination has artificially depressed the availability of minority businesses in the construction industry.

Fewer opportunities now exist in this post-Richmond environment for minority business growth. Where once MBEs were society's vehicle for providing jobs to minorities, because fewer than half of all majority firms employ minorities according to the Commerce Department, fewer minorities are employed. At a time when our country faces a growing need for employment options for young minority men and women, the lack of MBE programs has stifled the prospect of job creation.

Minorities and women do not often choose to go into construction because these discriminatory factors are so obvious. I saw these problems. I was almost deterred, as I'm sure many are, before they even start. I felt that way. If you want to succeed as a well-educated black man or woman, you get a law degree, or go into medicine and overcome discrimination with education. I know because that's what I was going to do. Construction is a tough industry to begin with. Add to that the weather working against you and the double whammy of discrimination -- it is overwhelming. I thought I could do it a little bit different, perhaps change the industry a little bit by building a quality black construction firm. Frankly, I am discouraged.

In my father's day racism was blatant. People called us names. Now, it's infinitely more subtle. Now people say: I didn't like their attitude. He rubbed us the wrong way. They didn't come with their hat in their hand, which is what happened at King's Bay. Or the firm wasn't a good fit. These are the quiet words of discrimination and exclusion. Until the bonding industry is accountable by a set of rules or guidelines -- be it 10, 20 or 3 times net worth -- we will never be able to comply with ever-fluid rules.

Bonding companies don't usually turn you down in writing, so there is no paper trail. The bonding company usually tells the agent, "Oh, we don't want to review the case; we're overloaded with paperwork -- just tell them," so there is no record of the refusal and accompanying reasons for rejection.

Within this covert environment of subtle racial discrimination, we espeically thank your for your consideration and frank attention.

* * *

NAMC NATIONAL ASSOCIATION OF MINORITY CONTRACTORS
806 15th Street, N.W. • Suite 340 • Washington, D.C. 20005 • (202) 347-8259

RESOLUTION

The following resolution was adopted by the general membership of the National Association of Minority Contractors on June 23, 1990:

WHEREAS, the National Association of Minority Contractors (NAMC) established in 1969, is the principal voice of the more than 60,000 minority-owned construction firms in America; and

WHEREAS, members, friends, and supporters of NAMC have come together in Kansas City, Missouri during June 20-24, 1990 for the purpose of celebrating its 21st Annual Convention; and

WHEREAS, the main objective of NAMC is to address the needs and concerns of minority construction contractors through the dissemination of information, the identification of procurement opportunities, the delivery of specialized training and the insistence of a discrimination-free construction marketplace.

BE IT RESOLVED AS FOLLOWS:

1. The 1989 U.S. Supreme Court case of Richmond vs. Croson has curtailed the efforts of States and localities to facilitate minority participation in government construction projects. NAMC supports the enactment of federal legislation which would ease the burdens imposed upon states and localities by the Richmond ruling and which would allow states and localities to adopt reasonable minority business utilization programs.

   ✓ We support S.1235 (introduced by U.S.Senator Paul Simon (D.Ill.)) and legislation introduced by Representative John Conyers (D.MI) (Economic Equality Act of 1989) as well as other Congressional efforts intended to reverse the negative impact of Croson;

2. Minority contractors continue to be denied meaningful access to surety bonding - particularly in the corporate surety market. This phenomenon has cost minority contractors billions of dollars in procurement opportunities. NAMC urges the U.S. Department of Treasury to grant its petition for rule-making change of June 6, 1990 which would prohibit U.S. Treasury-listed corporate sureties from discriminating on the

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basis of race and would require the delisting of corporate sureties which consistently refuse to do business with minority contractors.

Moreover,

a) The bonding requirement threshold of $25,000 as contained in the Miller Act should be increased to $1,000,000.

b) The Surety Association Act of 1989, H.R. 4179, which would allow individuals to form surety associations in order to pool their resources and bond federal projects should be passed with all deliberate speed.

3. The Davis-Bacon Act has a disproportionately negative impact upon minority contractors. Its applicability should be raised from $2,000 to $1,000,000.

4. The combining of minority and women-owned business enterprises into a single 10% Disadvantaged Business Enterprise (DBE) Goal under the Surface Transportation Uniform Relocation Act (STURA) has resulted in a significant and continual decrease in contract dollars for minority contractors. While NAMC does not oppose the participation of legitimate women contractors in government construction projects, NAMC supports the separation of goals for minority and women contractors.

5. By the year 2000 there is projected to be a substantial shortage of skilled construction craftsmen, causing a serious problem in the nation's building industry. Only by training almost one million minority workers over the next 10 years can the industry avoid this problem. NAMC will work with other national construction trade organizations to alleviate this impending problem only to the extent that such organizations are also committed to minority participation in all areas of the construction industry, i.e., superintendent positions, pension fund boards and construction firm owners.

   NAMC encourages support for its Participation 2000 Program designed to address this issue.

6. Racial discrimination is still prevalent during all stages of employment, including application for the job, performance on the job, and termination from the job. NAMC, thus, supports the Kennedy-Hawkins Civil Rights Act of 1990 without amendments or revisions.

7. NAMC requests the Small Business Administration (SBA) to review its current procurement and negotiation process to

assist 8(a) contractors in understanding the complex requirements of the Federal Acquisition Regulations and to work closely with these firms to assure that there are no inadvertent or unintentional violations of the defective pricing regulations or disclosure requirements. NAMC also requests the SBA to publish written policy guidelines which specifically define what constitutes proper rental and lease arrangements, subcontracting relationships, joint-venture agreements and similar legal relationships.

WE HEREBY SET OUR HANDS AND SEAL AS INDICATED BELOW ON THIS 23RD DAY OF JUNE, 1990.

Dominic L. Ozanne
DOMINIC L. OZANNE, ESQUIRE
PRESIDENT

Ralph C. Thomas III
RALPH C. THOMAS, III
EXECUTIVE DIRECTOR

Prepared Statement of Harris Morris

STATEMENT
OF
DELTA AIR LINES, INC.

BEFORE THE
COMMITTEE ON PUBLIC WORKS & TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

AUGUST 8, 1990
ATLANTA, GEORGIA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, DELTA AIR LINES APPRECIATES THIS OPPORTUNITY TO PROVIDE THE COMMITTEE WITH ITS VIEWS ON AVIATION INFRASTRUCTURE ISSUES IMPORTANT TO THE METROPOLITAN ATLANTA AREA. ON BEHALF OF DELTA AIR LINES, I WANT TO COMMEND CONGRESSMAN LEWIS FOR HIS LEADERSHIP AND HIS EFFORTS ON THE AVIATION SUBCOMMITTEE TO PRESERVE THE OUTSTANDING AVIATION SYSTEM WE ENJOY IN OUR GREAT CITY. ATLANTA HAS INDEED BEEN FORTUNATE OVER THE YEARS IN HAVING CIVIC AND POLITICAL LEADERS WHO HAVE RECOGNIZED THE IMPORTANCE AND VALUE TO THE AREA'S ECONOMIC DEVELOPMENT ASSOCIATED WITH AN EFFICIENT TRANSPORTATION SYSTEM.

DELTA HAS CONSISTENTLY ADVOCATED THAT THE CITY OF ATLANTA, IN CONCERT WITH OTHER GOVERNMENTAL ENTITIES OWNING OR OPERATING AIRPORTS (OR HOLDING FUTURE AIRPORT SITES), SHOULD MAINTAIN A STRONG, EFFICIENT AND EFFECTIVE AIRPORT SYSTEM TO MEET THE NEEDS OF METROPOLITAN ATLANTA. DELTA'S POSITION IN THIS RESPECT HAS NOT CHANGED, ALTHOUGH, AS A RESULT OF DEREGULATION, MANY NEW FACTORS MUST NOW BE CONSIDERED.

DELTA STRONGLY SUPPORTS EFFORTS TO EXPAND THE CAPACITY OF HARTSFIELD ATLANTA INTERNATIONAL AIRPORT. THE MAXIMIZATION OF HARTSFIELD'S CAPACITY IS ESSENTIAL TO MAINTAINING ATLANTA'S POSITION AS A DOMINANT HUB AND A GROWING INTERNATIONAL GATEWAY AIRPORT SERVING THE SOUTHEASTERN PART OF THE UNITED STATES. THIS EXPANSION INVOLVES AIRFIELD, LANDSIDE, AIRSIDE AND SUPPORT FACILITIES TO MEET FUTURE DEMAND AND GROWTH. AIRFIELD IMPROVEMENTS WILL INCLUDE A NEW COMMUTER/REGIONAL AIR CARRIER RUNWAY, HOLD PADS AND OTHER IMPROVEMENTS IN THE AIRFIELD TO INCREASE GROUND AIRCRAFT OPERATIONAL FLEXIBILITY. FAA IS CURRENTLY CONDUCTING TESTS IN MEMPHIS AND RALEIGH-DURHAM AIRPORTS OF A NEW RADAR SYSTEM THAT IS DESIGNED TO ENABLE SIMULTANEOUS APPROACHES ON RUNWAYS WITH A SEPARATION DOWN TO A POSSIBLE 2,500 FEET. THE RESULTS OF THESE TESTS HAVE BEEN POSITIVE AND INSTALLATION OF PRECISION RADAR EQUIPMENT AT HARTSFIELD WOULD GREATLY ENHANCE THE AIRPORT'S CAPACITY AND REDUCE DELAYS.

DELTA BELIEVES THAT IMPROVEMENTS TO AIRSIDE FACILITIES WOULD FACILITATE ADDITIONAL GROWTH THROUGH THE CONSTRUCTION OF NEW TERMINAL SPACE. WE SUPPORT THE CONSTRUCTION OF A NEW CONCOURSE DEDICATED FOR INTERNATIONAL OPERATIONS

(CONCOURSE E) AND NEW FOREIGN INSPECTION STATION (FIS) FACILITIES TO MEET THE DEMANDS OF EXPECTED GROWTH IN INTERNATIONAL OPERATIONS. EXISTING CONCOURSES AND TERMINAL FACILITIES MUST BE IMPROVED AND EXPANDED TO ENHANCE CONCESSION AREAS AND AIRLINE/OPERATIONAL SERVICE AREAS IN ORDER FOR THE ENTIRE FACILITY TO MEET THE GROWING NEEDS OF THE AREA.

THE ATLANTA REGIONAL COMMISSION (ARC) IS CONDUCTING A TWO-PHASE STUDY TO ASSESS THE NEED AND METHODS BY WHICH ADDITIONAL AVIATION CAPACITY CAN BE PROVIDED TO THE METROPOLITAN ATLANTA AREA. PHASE I OF THIS STUDY HAS BEEN COMPLETED AND CONCLUDES THAT THE SHORT TERM ALTERNATIVES ARE THE MAXIMIZATION OF HARTSFIELD AS OUTLINED ABOVE. THE LONG TERM SOLUTION IS THE "IMMEDIATE PURSUIT OF A LOCATION FOR THE CONSTRUCTION OF A SECOND AIR CARRIER AIRPORT TO SERVE THE REGION'S FUTURE NEEDS" THE SECOND PHASE OF THE STUDY HAS BEEN COMMISSIONED BY ARC AND IS PROCEEDING. THIS PHASE IS TO DETERMINE THE RECOMMENDED SITE FOR A SECOND AIR CARRIER AIRPORT AND WILL EVALUATE ALL POTENTIAL SITES FROM ECONOMIC, ENVIRONMENTAL, OPERATIONAL AND SERVICE STANDPOINTS.

ALTHOUGH THERE ARE MANY CONDITIONS AND CRITERIA THAT MUST BE EVALUATED AS PART OF THE SITE SELECTION PROCESS, WE FEEL THAT THE REVIEW SHOULD CONCENTRATE ON THE TOP FOUR CRITERIA THAT HAVE BEEN SELECTED BY THE ARC PROJECT ADVISORY TEAM. THESE EVALUATION CRITERIA ARE:

1) PROXIMITY TO PASSENGERS;
2) FLEXIBILITY TO ACCOMMODATE FUTURE DEMAND;
3) IMPACT ON HARTSFIELD AIR SPACE AND CAPACITY; AND
4) POTENTIAL FOR ADVERSE ENVIRONMENTAL IMPACT.

IN OTHER WORDS, THE MOST IMPORTANT OBJECTIVE IN CONSIDERING A SITE FOR A SECOND AIR CARRIER AIRPORT SERVING THE METROPOLITAN ATLANTA REGION IS ITS ABILITY TO REASONABLY AND CONVENIENTLY SERVE THE CUSTOMER -- THAT IS, THE FLYING PUBLIC. SECONDARILY, THE NEW AIRPORT SITE MUST HOLD THE POTENTIAL TO BE EXPANDED TO ACCOMMODATE FUTURE DEMAND. DELTA FEELS THAT IT IS CRITICALLY IMPORTANT THAT ANY FUTURE SITE NOT ADVERSELY IMPACT THE CAPACITY OF HARTSFIELD'S PRESENT AND FUTURE OPERATIONS. WE MUST MAINTAIN HARTSFIELD AS A PRIMARY CONNECTING HUB AND THE INTERNATIONAL GATEWAY FOR THE SOUTHEAST.

DELTA CONTINUES TO PARTICIPATE ON THE ARC TASK FORCE ADVISORY GROUP AND SUPPORTS THE SELECTION OF A POTENTIAL SECOND ATLANTA AIR CARRIER AIRPORT SITE NORTH OF HARTSFIELD. THE CONSTRUCTION OF A SECOND AIR CARRIER AIRPORT NORTH OF HARTSFIELD SHOULD COMMENCE WHEN IT CAN DEFINITELY BE DETERMINED THAT HARTSFIELD'S CAPACITY WILL, IN THE REASONABLY NEAR FUTURE, NO LONGER BE ABLE TO APPROPRIATELY HANDLE ALL DEMAND THAT WILL BE PLACED UPON IT. DELTA FEELS, BASED ON A REVIEW OF FAA CAPACITY STUDIES AND FAA FORECAST DATA, THAT WITH A NEW COMMUTER RUNWAY AT

HARTSFIELD ATLANTA INTERNATIONAL AIRPORT, THE CURRENT OPERATIONAL TECHNIQUES USED BY FAA AIR TRAFFIC CONTROL WOULD SUPPORT 1.1 TO 1.2 MILLION ANNUAL OPERATIONS WITHOUT EXCESSIVE DELAYS. THIS VOLUME IS EXPECTED TO OCCUR WELL AFTER THE YEAR 2000. THEREFORE, THE CONSTRUCTION OF A SECOND AIR CARRIER AIRPORT SHOULD BE TARGETED TO ACCOMMODATE GROWTH BEYOND THE CAPACITY LIMIT OF 1.2 MILLION OPERATIONS PER YEAR. IF HARTSFIELD IS SUCCESSFULLY MAXIMIZED AND FORECAST GROWTH IS EXPERIENCED, THE DETAILED DESIGN AND CONSTRUCTION OF A SECOND AIRPORT WILL NOT BE REQUIRED UNTIL AFTER THE YEAR 2000 AS THE REQUIREMENTS BECOME MORE CLEAR.

DELTA HOPES THAT ITS COMMENTS WILL BE USEFUL TO THE COMMITTEE'S DELIBERATIONS CONCERNING THE AVIATION CAPACITY NEEDS OF OUR REGION. A STRONG, EFFICIENT AND EFFECTIVE ATLANTA AIRPORT SYSTEM IS OF THE UTMOST IMPORTANCE TO DELTA, AND DELTA WILL CONTINUE TO ACTIVELY SUPPORT EFFORTS TO PRESERVE ATLANTA'S PREEMINENCE AS AN AIR TRANSPORTATION HUB.

THANK YOU FOR THIS OPPORTUNITY TO APPEAR AT THIS HEARING. I WOULD BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE RELATIVE TO OUR TESTIMONY.

TESTIMONY OF ROBERT B. REMAR ON BEHALF OF CAUTION, INC.[1/]

BEFORE THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
OF THE UNITED STATES HOUSE OF REPRESENTATIVES
ATLANTA, GEORGIA
August 8, 1990

I

INTRODUCTION

The Atlanta metropolitan area has experienced phenomenal growth over the past two decades. Atlanta has become the economic hub of the Southeast and one of the leading metropolitan areas in the country. With Hartsfield International Airport, Atlanta has truly become an international city. However, the infrastructure of the Atlanta metropolitan area has been unable to cope with the extraordinary demands placed upon it by rapid population and economic growth. The region's water distribution system is both old and insufficient to meet current needs. Water restrictions are now a part of summer life. Many bridges are in serious states of disrepair. These decaying bridges present not only a potential disruption to the transportation system but a serious public safety threat. Many surface streets are deteriorating and require resurfacing, resignalization and intersection improvements. Perhaps most distressful is the fact that the stock of decent low and moderate income housing has been

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[1/] CAUTION, INC. is an acronym for Citizens Against Unnecessary Thoroughfares In Older Neighborhoods. CAUTION, Inc. is a nonprofit community based corporation whose Board of Directors is composed of representatives from the organized neighborhood associations affected by the proposed Presidential Parkway. Robert B. Remar is CAUTION's attorney.

markedly reduced and the condition of existing low and moderate income housing is a local and national disgrace.

All of these pressing infrastructure needs are coming to a head in a time of a growing national deficit accompanied by a slowdown in the economy. Budget cuts and the reordering of budgetary priorities are essential. Precious national resources must be allocated to those projects which will serve the most pressing public needs. Yet the Georgia Department of Transportation, in cooperation with the Federal Highway Administration, continues to press the construction of an unneeded, unnecessary and extraordinarily expensive limited access highway known as the Presidential Parkway. As one step in the national effort to deal with infrastructure needs in the face of the budget crisis, the Presidential Parkway project should be ended for good, the funds reallocated to pressing urban infrastructure needs, and the over 200 acres of abandoned right-of-way redeveloped consistent with community needs and desires.

II

THE PRESIDENTIAL PARKWAY

The proposed Presidential Parkway runs 2.2 miles from the Boulevard/Glen Iris stub of the I-75/I-85 downtown connector and terminates at the Atlanta city limits on Ponce de Leon Avenue at Clifton Road.[2/] The Parkway is four lanes, elevated in a number

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[2/] The Boulevard/Glen Iris stub was originally constructed as part of the interchange for the abandoned Stone Mountain Tollway and I-485 projects.

of areas and includes a full diamond interchange at Moreland Avenue. The present road design also includes an "ice canopy" that it is hoped will provide protection to the public from the lethal danger of ice falling from the WSB Broadcast Tower under which the Parkway is to be built. The canopy will be a concrete structure approximately 675 feet long, 137 feet wide at its widest point and 17 feet above the roadbed.

The Parkway traverses or abuts seven historic districts including the Martin Luther King, Jr. historic district, the Inman Park historic district and the Druid Hills historic district. See Map attached hereto as Exhibit "A". The Inman Park historic district is known as Atlanta's first suburb and is listed in the National Register of Historic Places. The Druid Hills subdivision was planned by the renowned landscape designer and urban planner Frederick Law Olmstead. It is an area of national historic importance and is listed on the National Register of Historic Places.

Particularly distressing is the fact that the Parkway will traverse portions of four historic public parks owned by the City of Atlanta, two located in the Candler Park historic district and two located in the Druid Hills historic district. Goldsboro Park and Candler Park are significant public recreation facilities that will be substantially disrupted by the Parkway. A significant portion of a public golf course in Candler Park will be destroyed. The Parkway will also run through Shadyside and Dellwood Parks, two of the six Ponce de Leon parks developed by Frederick Law Olmstead as part of the original concept of Druid Hills. These parks are of national historic significance and are on the National Register of Historic Places. They represent an invaluable local and national resource whose integrity will be destroyed by the proposed Parkway.

In early 1988 the Georgia Department of Transportation estimated direct construction costs to be $34 to $40 million. Expenses associated with the reconstruction of the Boulevard/Glen Iris exit ramp to accommodate the Parkway are approximately $48 million. The Parkway will also utilize 90 to 100 acres of land. In 1985 the Georgia Department of Transportation valued this land at $185,000 an acre. The value of the right-of-way to be consumed by the Parkway is at least $16.7 to $18.5 million, using 1985 dollars. Therefore, the real cost of the Parkway is a minimum of $51 to $58 million for construction and land costs and as much as $80 to $90 million including rebuilding the stub. The Presidential Parkway conservatively costs approximately $36.5 million per mile.

The Georgia Department of Transportation and the Federal Highway Administration are the only agencies that support construction of the Parkway. The Atlanta City Council, the DeKalb County Commission and the City of Decatur have all passed resolutions or ordinances opposing the Parkway. Mayor Maynard Jackson has stated his clear opposition to the Parkway. All of the affected neighborhood organizations along with numerous community groups are opposed. Privately commissioned polls show strong city-wide opposition even outside of the affected neighborhoods. All of the major environmental organizations, as well as the National Trust For Historic Preservation, are on record as opposing the Parkway.

III

THE GREAT PARK

The Georgia DOT's insistence on proceeding with the Parkway despite almost unanimous opposition has also stymied efforts by the City and the affected neighborhoods to redevelop the abandoned I-485 and Stone Mountain Tollway rights-of-way, known locally as the Great Park. This acreage was acquired in the late 1960's and early 1970's by the Georgia Department of Transportation as rights-of-way for two multiple lane limited access highways, I-485 and the Stone Mountain Tollway. Hundreds of homes were acquired and destroyed and entire neighborhoods decimated. The community mobilized to fight back. In 1971 a federal district court decision suspended action on the I-485 project pending the completion of an environmental impact statement. Community opposition led then Governor Jimmy Carter to appoint a commission to review the Stone Mountain Tollway project. The commission recommended that the Stone Mountain Tollway not be built until the effect of the impending construction of the MARTA east rail line could be assessed. In December 1972 Governor Carter terminated the project.

In 1974 the Atlanta Regional Commission deleted I-485 from the regional transportation plan and in 1975 the Federal Highway Administration approved the withdrawal. In 1977 the Georgia Department of Transportation began disposing of I-485 properties north of St. Charles Avenue, leaving 219 acres of right-of-way abandoned and undeveloped. This massive tract of land is not only unsightly, but it constitutes a public safety and health menace.

Over the years numerous plans have been proposed for development of the Great Park area. The central feature of the Great Park plans has been the development of housing, including low and moderate income housing, along with recreation and other community amenities. All of these plans have been stymied by the Georgia Department of Transportation's refusal to release the property until the Presidential Parkway is built. Former Georgia DOT Commissioner Thomas Moreland succinctly stated the DOT's position when he said that he was holding the Great Park land hostage to the Presidential Parkway. Elimination of the Presidential Parkway project will not only save valuable federal and state money, but it will also permit development of the Great Park area, including the development of much needed housing.

IV

ALTERNATIVES TO THE PRESIDENTIAL PARKWAY

Not only is the Presidential Parkway project unwanted, it is also unneeded. Former Georgia DOT Commissioner Moreland admitted that even using DOT's figures, the traffic volumes only marginally justified building the project. Questions concerning the accuracy of Georgia DOT's traffic projections, including possible manipulation of data, have recently surfaced in the news media. See Atlanta Journal - Atlanta Constitution (September 11, 1988), attached hereto as Exhibit "B".

The traffic corridor proposed to be served by the Presidential Parkway is already served by the MARTA east rail line. Efforts should be directed toward encouraging motorists to utilize the MARTA system and reduce dependence on automobiles for commuting. Signalization and intersection improvements will increase the ability of Ponce de Leon Avenue to handle existing and projected traffic needs. An objective view of the situation demonstrates that this 2.2 mile limited access highway is clearly not needed to fulfill any local or regional transportation need.

The only other argument advanced in support of the Presidential Parkway is the need to provide access to the Carter Presidential Library. When the Presidential Parkway project was presented to the Atlanta City Council in 1982 it was projected that there would be 1.2 million visitors per year to the Carter Center. Actual visitation was 119,000 in calendar year 1988 and 86,440 visits in 1990. In contrast, the Fernbank Science Center, located in the Druid Hills area, has in excess of 800,000 visitors a year. Access to the Fernbank Science Center is by two-lane surface roads through residential neighborhoods. Any concerns about access to the Carter Center can be resolved by improvement to existing surface streets which are clearly adequate to handle the traffic volumes. Moreover, with the abandonment of the Presidential Parkway and reuse of the Great Park land the neighborhood appearance in the approaches to the Carter Center will be substantially improved.

While initially the argument was raised that the Presidential Parkway was necessary in order for the Carter Center to be constructed, that argument now has no validity since the Carter Center is constructed and operating. Nor is there any danger that the land surrounding the Carter Center now used for gardens and parking would in any way be threatened by abandonment of the Presidential Parkway project. The Georgia DOT has already received Federal Highway Administration permission under the Fowler Amendment, 23 U.S.C. Section 103(e)(5), for the transfer of 45 vacant parcels of land to the Carter Library, Inc. Federal regulations also permits reuse of rights-of-way without any federal payback if the property is used for a public conservation or public recreation purpose or for any other public purpose found by the Secretary of Transportation to be in the public interests. 23 C.F.R. Section 480.107. Under both state and federal law the Carter Center can continue to operate and the adjoining acreage used for a public purpose without the repayment of any federal funds.

V

CONCLUSION AND SUMMARY

The proposed Presidential Parkway is not needed to serve any transportation function. It will severely disrupt historic neighborhoods and four publicly owned historic parks. The project is opposed by all the affected local governments, neighborhoods and community organizations. The federal funds to be used in the Parkway should be spent on meeting other transportation related infrastructure needs, including bridge repairs. By eliminating the Presidential Parkway the 219 acres of abandoned right-of-way can be reused and revitalized to meet pressing community needs. As a matter of both economic and common sense, the Presidential Parkway project should be killed for good.

EXHIBIT B - PAGE 1

Olympics '88: The Summer Games in Seoul

Complete Preview of the Games in a 32-Page Special Section ☐ 1N

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By Bert Roughton Jr.
Staff Writer

THE ROAD: 27 YEARS OF CONTROVERSY ☐ 24-25A

When traffic projections for the Presidential Parkway kept coming up short, Tom Moreland repeatedly sent his staff back to the drawing boards until their numbers justified the road, former Department of Transportation (DOT) employees have told The Atlanta Journal-Constitution.

And when neighborhood opposition to the road became fierce, Mr. Moreland, the former transportation commissioner, ignored the counsel of his top lieutenants, who advised him to abandon the roadway, the former employees say.

The stakes, then as now, were high: If the DOT failed to show the $30 million parkway was needed, federal funding for the road would have been jeopardized, posing a direct threat to the Carter Presidential Center, which was officially linked to the road.

Such dauntless tenacity — on both sides — has driven the Battle of the Presidential Parkway for six years. The battle is only the latest chapter in a 27-year saga of the state's efforts to build a highway connecting downtown to Stone Mountain through the city's residential heart.

The saga's characters include former President Jimmy Carter and Mayor Andrew J. Young. They opposed the Stone Mountain Freeway but have led the fight for the 2.4-mile Presidential Parkway.

Their adversaries are zealous neighborhood activists who have mastered the art of yuppie-style guerrilla warfare. They've raised hundreds of thousands of dollars for lawsuits and chained themselves to bulldozers to stop the road.

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PARKWAY Continued on 24A

Parkway

From Page 1A

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The council had wanted the city attorney to contest the DOT's condemning city parkland for the road. The mayor's narrow victory, which was secured by intense lobbying, cost parkway opponents a precious opportunity to fight the road.

Only slightly daunted by the council defeat, anti-road warriors say they will press on. They believe the costly road would do irreparable damage to historic neighborhoods and disfigure parks along Ponce de Leon Avenue designed by Frederick Law Olmsted, the father of landscape architecture who designed Druid Hills and New York's Central Park.

Road opponents say they are quietly crafting new weapons to keep the DOT in court and off the parkway long enough for the political tide to wash the road away forever.

A key addition to their arsenal could be a bill being written by U.S. Rep. John Lewis, the 5th District congressman and longtime road opponent. Mr. Lewis's bill would make the parkway ineligible for federal funding.

Even so, the realists among the opponents admit time is running out.

"The numbers [of forums] are declining but they are not exhausted," says Richard M. Ossoff, a member Inman Park resident and a vice president of the anti-parkway coalition, CAUTION Inc.

Road opponents believe the DOT also is battling a deadline. Both likely mayoral candidates, former Mayor Maynard Jackson and Fulton County Commission Chairman Michael Lomax, have taken strong public stands against the road and could work to cancel the project.

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"This all came at a time when the department was trying to re-establish a reputation of working with neighborhoods rather than ramming roads through where they weren't wanted," the former employee says. "All that seemed to be vanishing."

Additionally, some employees were disturbed by the department's handling of traffic projections — a process described by one former employee as "sausage making."

"This presented real professional problems for people in [the department]," another former employee says. "They were being asked to lie."

The department also boosted assessments of congestion at key intersections in the corridor by measuring traffic jams when the Highland Avenue bridge was out or DeKalb Avenue was closed for repairs, the former employees say.

Mr. Moreland, now in private business, refuses to discuss his role in the parkway. "I've said all I need to say about the Presidential Parkway," Mr. Moreland said recently as he canceled an interview with the Journal-Constitution. "I've been bloodied enough by it."

Other past and present department officials deny the numbers were buoyed. They also deny that Mr. Moreland lost the support of his top staff members.

"That's not my recollection of it," Mr. Rives says. "Yes, there was some [opposition]. At one time Tom convened a group of his senior managers, and says all this is going on and should we continue. The consensus . . . was to proceed."

The department's projections have withstood rigorous court review and have been corroborated by the Atlanta Regional Commission (ARC), which has endorsed the road, he says.

ARC officials, however, now say their endorsement was based more on the political support for the parkway rather than on its superiority to other possible transportation solutions.

Mr. Rives believes the parkway eventually should carry about 35,000 cars a day, taking them off neighborhood streets that now must act as major arteries and diverting traffic away from accident-prone Ponce de Leon Avenue.

However, doubts about the veracity of the projections — and consequently the validity of the environmental impact statement — linger among parkway opponents.

Dwindling traffic counts on the seven major roads in the parkway corridor tend to support their contention that the road is unnecessary.

Between 1979, the year the MARTA east rail line opened, and fall 1987, traffic in the corridor has dropped about 5.5 percent, from 89,395 vehicle trips a day to 84,527, city Bureau of Traffic and Transportation counts show.

The Carter Center, once projected to attract more than 1 million visitors a year, had only about 190,000 visitors in fiscal 1987.

If there were an "unambiguous greater public good" that would come from the road, neighborhood resistance would soften, Mr. Ossoff says.

City officials admit they accepted the state DOT's projections without much question. "In order to get the land we had to meet some reasonable transportation purpose," Mayor Young says. "So there had to be a road to get the land — whether we needed it or not."

After Mr. Moreland said he would let the city control development of the adjacent land, Mayor Young asked architect Paul Muldawer, a longtime friend of the mayor's, to craft a plan that would make the parkway palatable to the neighborhoods while putting the remaining acreage to good use.

Mr. Muldawer designed what came to be known as the "Mayor's Plan," which includes 700 new housing units north and south of the Carter Center and an elaborately landscaped four-lane road.

Mr. Muldawer, who has been paid $200,000 as a DOT consultant on the project, believes his getting a role in the project is a major — albeit rarely recognized — victory for the neighborhoods.

"The DOT took a tremendous step in having a person like myself, with my credentials and my capabilities, design this," Mr. Muldawer says. "That's a very progressive — if not radical — move on their part.

"It's going to be a work of art and a thing of beauty and a parkway in the spirit of Frederick Law Olmsted," Mr. Muldawer says.

Invoking the Olmsted name infuriates parkway opponents.

"To suggest that the Frederick Olmsted parks need additional tinkering is preposterous," says state Rep. Mary Margaret Oliver, who was elected to the House largely on her staunch anti-road stance.

Furthermore, neighborhood activists consider Mr. Muldawer's design a Trojan horse with plans for the completion of the Stone Mountain Freeway lurking in its belly.

They worry that once Ponce de Leon is widened to Clifton Road, the state will push to widen the final mile to Scott Boulevard — essentially completing the Stone Mountain Freeway.

"They say that, but that's a red herring," Mr. Rives says. "Sure I want to connect them. It ought to be built, but I'm not going to do it."

Mr. Rives stops short of promising the freeway would never be completed. "We refrain from saying that it would never be done; that would be a facetious statement on our part," he says. "I'm 62 years old, I can't speak for my successors, and I would be wrong to."

The best protection for the neighborhoods would be to allow the parkway to be built, Mayor Young says.

"Designing a parkway for a presidential library and turning it over to the National Park Service is probably the surest guarantee against that becoming an expressway," says the mayor, who is negotiating with Congress to get park service supervision.

However, the neighborhoods are still stinging from Mayor Young's 1981 post-election reversal of his anti-parkway stand and his standing by while the DOT erased conditions imposed in the mayor's 1982 parkway plan.

Although the state will ban 18-wheel trucks from the parkway and the city intends to enforce a 35-mph speed limit, the state transportation board dumped all the City Council's restrictions on the road's design — including a four-way intersection with a traffic light at Moreland Avenue instead of an overpass.

This kind of intersection would have made it nearly impossible for the DOT to come back and transform the road into a full-fledged freeway. However, DOT officials say the overpass was required because an intersection would have generated too much air pollution.

"Our community does not have a high level of trust in the DOT," Ms. Oliver says.

Mayor Young believes parkway opponents blocked redevelopment of the land, keeping it off the tax rolls.

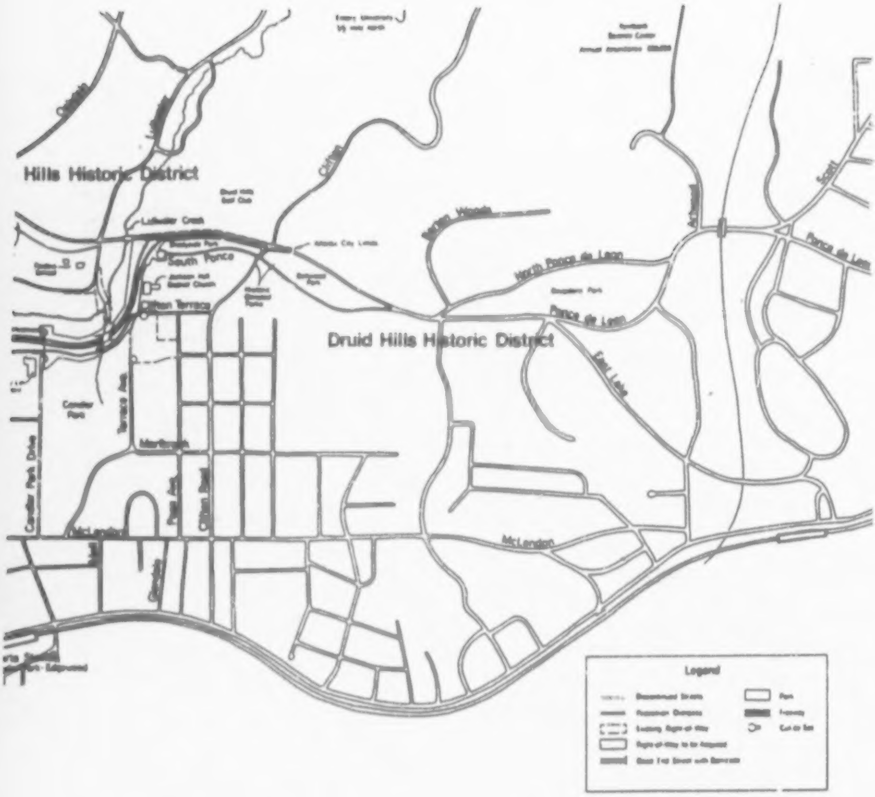
"These folk have done serious damage to their own community by this lack of faith and lack of trust in anybody except themselves," he says.

"We would have had 700 units of housing built by now if it hadn't been for this lawsuit. It's a kind of minority tyranny," says Mayor Young, who believes the opponents have intentionally ignored neighborhood support for the project, particularly in the Old Fourth Ward.

"This is a fight of basically true believers who've forgotten what it is they started out fighting for," says Mayor Young, who compared parkway opponents to the anti-abortion protesters who spent the past month filling the city jail.

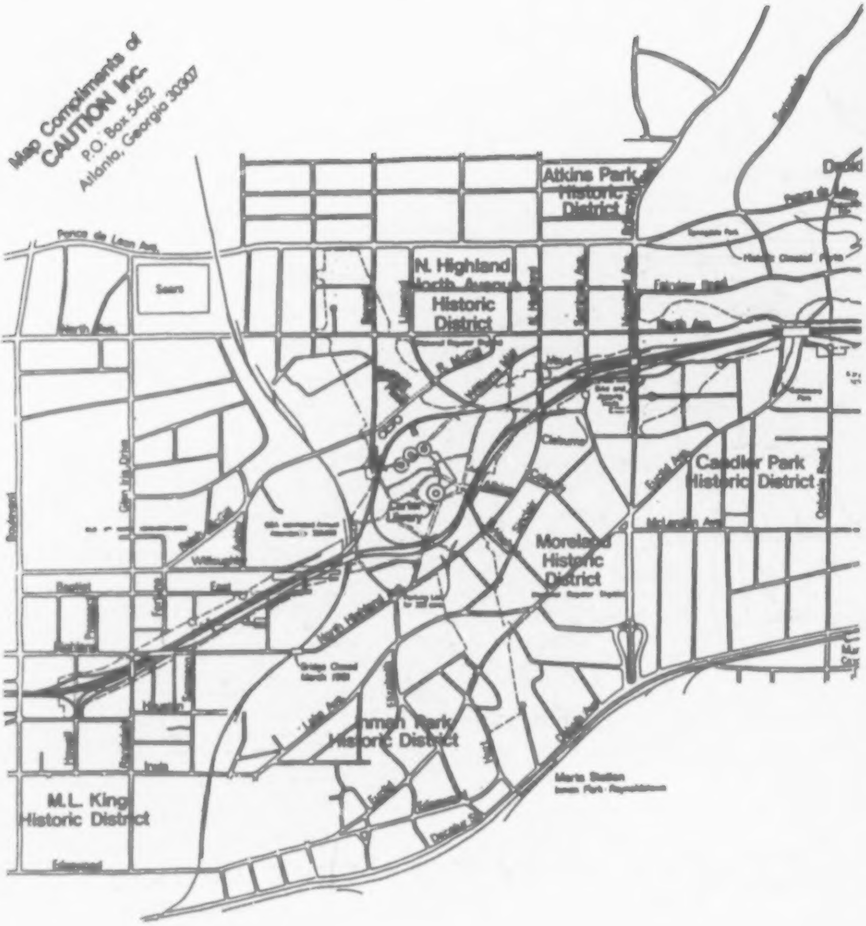
However, Ms. Oliver says it is parkway supporters — not its opponents — who are the obstructionists.

"The number of people who really want this road dwindles by the day," she says. "I don't believe that the politicians that have fought this road for years are going to say, 'Oh well, we tried.' There will be created a political forum to stop this road."


Hills Historic District
Lullwater Creek
South Ponce
Clifton Terrace
Candler Park
Terrace Ave
Candler Park Drive
McLendon
Page Ave
Clifton Road
Oakdale
Clifton
North Ponce de Leon
Ponce de Leon
Druid Hills Historic District
East Lake
McLendon
Scott
Ponce de Leon
Legend

Proposed Freeway thru Historic Districts
Atlanta, Georgia February 1984

EXHIBIT A



Map Compliments of
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Atkins Park Historic District
Ponce de Leon Ave.
Sears
N. Highland North Avenue Historic District
North Ave.
Glen Iris Drive
Boulevard
Willoughby
Carter Library
Cleburne
Candler Park Historic District
McLendon Ave.
Moreland Historic District
Euclid Ave.
North Highland
Edgewood
Bridge Closed March 1983
Inman Park Historic District
Irwin
Houston
M.L. King Historic District
Decatur St.
Euclid
Marta Station Inman Park · Reynoldstown

EXHIBIT B - PAGE 1

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Additionally, some employees were disturbed by the department's handling of traffic projections — a process described by one former employee as "sausage making."

"This presented real professional problems for people in [the department]," another former employee says. "They were being asked to lie."

The department also boosted assessments of congestion at key intersections in the corridor by measuring traffic jams when the Highland Avenue bridge was out or DeKalb Avenue was closed for repairs, the former employees say.

Mr. Moreland, now in private business, refuses to discuss his role in the parkway. "I've said all I need to say about the Presidential Parkway," Mr. Moreland said recently as he canceled an interview with the Journal-Constitution. "I've been bloodied enough by it."

Other past and present department officials deny the numbers were hyped. They also deny that Mr. Moreland lost the support of his top staff members.

"That's not my recollection of it," Mr. Rives says. "Yes, there was some [opposition]. At one time Tom convened a group of his senior managers, and says all this is going on and should we continue. The consensus … was to proceed."

The department's projections have withstood rigorous court review and have been corroborated by the Atlanta Regional Commission (ARC), which has endorsed the road, he says.

ARC officials, however, now say their endorsement was based more on the political support for the parkway rather than on its superiority to other possible transportation solutions.

Mr. Rives believes the parkway eventually should carry about 35,000 cars a day, taking them off neighborhood streets that now must act as major arteries and diverting traffic away from accident-prone Ponce de Leon Avenue.

However, doubts about the veracity of the projections — and consequently the validity of the environmental impact statement — linger among parkway opponents.

Dwindling traffic counts on the seven major roads in the parkway corridor tend to support their contention that the road is unnecessary.

Between 1979, the year the MARTA east rail line opened, and fall 1987, traffic in the corridor has dropped about 5.5 percent, from 89,365 vehicle trips a day to 84,327, city Bureau of Traffic and Transportation counts show.

The Carter Center, once projected to attract more than 1 million visitors a year, had only about 100,000 visitors in fiscal 1987.

If there were an "unambiguous greater public good" that would come from the road, neighborhood resistance would soften, Mr. Ossoff says.

City officials admit they accepted the state DOT's projections without much question. "In order to get the land we had to meet some reasonable transportation purpose," Mayor Young says. "So there had to be a road to get the land — whether we needed it or not."

After Mr. Moreland said he would let the city control development of the adjacent land, Mayor Young asked architect Paul Muldawer, a longtime friend of the mayor's, to craft a plan that would make the parkway palatable to the neighborhoods while putting the remaining acreage to good use.

Mr. Muldawer designed what came to be known as the "Mayor's Plan," which includes 700 new housing units north and south of the Carter Center and an elaborately landscaped four-lane road.

Mr. Muldawer, who has been paid $200,000 as a DOT consultant on the project, believes his getting a role in the project is a major — albeit rarely recognized — victory for the neighborhoods.

"The DOT took a tremendous step in having a person like myself, with my credentials and my capabilities, design this," Mr. Muldawer says. "That's a very progressive — if not radical — move on their part.

"It's going to be a work of art and a thing of beauty and a parkway in the spirit of Frederick Law Olmsted," Mr. Muldawer says.

Invoking the Olmsted name infuriates parkway opponents.

"To suggest that the Frederick Olmsted parks need additional tinkering is preposterous," says state Rep. Mary Margaret Oliver, who was elected to the House largely on her staunch anti-road stance.

Furthermore, neighborhood activists consider Mr. Muldawer's design a Trojan horse with plans for the completion of the Stone Mountain Freeway lurking in its belly.

They worry that once Ponce de Leon is widened to Clifton Road, the state will push to widen the final mile to Scott Boulevard — essentially completing the Stone Mountain Freeway.

"They say that, but that's a red herring," Mr. Rives says. "Sure I want to connect them. It ought to be built, but I'm not going to do it."

Mr. Rives stops short of promising the freeway would never be completed. "We refrain from saying that it would never be done; that would be a facetious statement on our part," he says. "I'm 62 years old, I can't speak for my successors, and I would be wrong to."

The best protection for the neighborhoods would be to allow the parkway to be built, Mayor Young says.

"Designing a parkway for a presidential library and turning it over to the National Park Service is probably the surest guarantee against that becoming an expressway," says the mayor, who is negotiating with Congress to get park service supervision.

However, the neighborhoods are still stinging from Mayor Young's 1981 post-election reversal of his anti-parkway stand and his standing by while the DOT erased conditions imposed in the mayor's 1982 parkway plan.

Although the state will ban 18-wheel trucks from the parkway and the city intends to enforce a 35-mph speed limit, the state transportation board dumped all the City Council's restrictions on the road's design — including a four-way intersection

EXHIBIT B - PAGE 3

TESTIMONY BEFORE

HOUSE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

ATLANTA, GEORGIA

BY: HAL RIVES, COMMISSIONER, GEORGIA
DEPARTMENT OF TRANSPORTATION

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, WELCOME TO GEORGIA. IT IS AN HONOR AND A REAL PLEASURE FOR ME TO APPEAR BEFORE YOU AND TALK ABOUT TRANSPORTATION ISSUES FACING GEORGIA.

FIRST, I WANT TO SPEAK BRIEFLY ABOUT THE FEDERAL DBE PROGRAM.

THE DEPARTMENT PRESENTLY HAS 235 FIRMS CERTIFIED AS DISADVANTAGED BUSINESS ENTERPRISE. OF THAT NUMBER 177 ARE CONTRACTORS, 4 ARE CONSULTANTS AND 18 ARE SUPPLIERS.

THE DEPARTMENT ALSO HAS 98 FIRMS CERTIFIED AS WOMEN'S BUSINESS ENTERPRISE, 75 CONTRACTORS, 7 CONSULTANTS, AND 16 SUPPLIERS.

SINCE 1975 THE DEPARTMENT HAS BEEN COMMITTED TO MINORITY AND FEMALE BUSINESS PARTICIPATION IN ITS CONSTRUCTION PROGRAMS. THE PRESENT DBE GOAL IS 10% PARTICIPATION ON FEDERALLY FUNDED CONSTRUCTION WORK. IN FY 88 OUR OVERALL DBE PERCENTAGE WAS 10.9. IT WAS 10.75 PERCENT IN FY 89 AND IS PROJECTED TO BE 11.2 PERCENT IN THE CURRENT YEAR.

ALTHOUGH THE DEPARTMENT IS PROUD OF ITS ACHIEVEMENTS WITH THE DISADVANTAGED BUSINESS ENTERPRISE PROGRAM, WE HAVE EXPERIENCED AN ALARMING TREND IN THE STATE OF GEORGIA THAT CONTINUES TO MANIFEST ITSELF YEARLY. THIS TREND WAS CAUSED BY THE MERGING OF THE MINORITY BUSINESS ENTERPRISE AND THE WOMEN BUSINESS ENTERPRISE PROGRAM INTO ONE DISADVANTAGED BUSINESS ENTERPRISE PROGRAM. IN THIS STATE, WHICH HAS A LARGE BLACK POPULATION, THE TREND IS ALARMING AND WE FEEL THAT SOME REMEDIAL ACTION IS CALLED FOR.

THE TREND IS THAT THE VOLUME OF CONTRACTING AND SUBCONTRACTING WITH MINORITY BUSINESS ENTERPRISE IS DECREASING WHILE IT IS INCREASING WITH WOMEN BUSINESS ENTERPRISE. TO ILLUSTRATE THIS POINT, AFTER THE GOALS WERE COMBINED, IN 1988 MINORITY BUSINESSES RECEIVED 8.8% OF THE WORK WHILE 3.4% WENT TO WOMEN'S BUSINESSES. IN 1989 6.2% WENT TO MINORITIES AND 4.3% WENT TO FEMALES. TO DATE IN 1990, 5.7% HAS GONE TO MINORITIES AND 6.3% HAS GONE TO FEMALES.

AS YOU CAN SEE, THIS TREND CONTINUES AND WE FEEL THAT IF THE GOALS ARE NOT SEPARATED, AS THEY WERE PREVIOUSLY, THIS WILL HAVE SERIOUS REPERCUSSIONS. WITH THIS IN MIND, WE RESPECTFULLY REQUEST THAT CONSIDERATION BE GIVEN TO ONCE AGAIN SEPARATING THE GOALS.

LET ME NOW TURN TO THE SUBJECT OF URBAN CONGESTION.

GEORGIA HAS GENERALLY OUT-PERFORMED THE NATION IN CERTAIN GROWTH

RATES OVER THE LAST TWO DECADES. THE ENGINE WHICH POWERED THIS GROWTH HAS BEEN, AS YOU MIGHT EXPECT, THE ATLANTA REGION. PROSPECTS FOR THE FUTURE ARE JUST AS OPTIMISTIC. IT IS FORECAST THAT THE ATLANTA REGION WILL ADD 1.6 MILLION MORE PEOPLE BY THE YEAR 2010 TO REACH A TOTAL OF 3.8 MILLION.

HOWEVER, THE EXUBERANCE WHICH HAS ACCOMPANIED THESE "BOOM YEARS" TENDS TO OVER-SHADOW WHAT HAS BEEN LEFT IN ITS PATH; A LEGACY OF OVERBURDENED WATER AND SEWER SYSTEMS, AND TRAFFIC JAMS. WHILE THE POPULATION OF THE ATLANTA REGION HAS MORE THAN DOUBLED SINCE 1960, VEHICLE MILES OF TRAVEL HAVE MORE THAN TRIPLED AND CAN BE EXPECTED TO NEARLY TRIPLE AGAIN BY THE YEAR 2010.

THE FREEWAY SYSTEM IN ATLANTA IS EXPECTED TO BEAR THE BRUNT OF THIS INCREASED TRAVEL. AS IN OTHER MAJOR METROPOLITAN AREAS, ATLANTA'S FREEWAYS HAVE BECOME OUR URBAN MOBILITY CORRIDORS. WITH GROWTH EXPLODING IN THE SUBURBS, PARTICULARLY ALONG ATLANTA'S NORTHERN TIER OF COUNTIES, DAILY TRAFFIC VOLUMES ON THE NORTHERN

ARC OF ATLANTA'S PERIMETER HIGHWAY, I-285, ARE EXCEEDING 220,000 VEHICLES PER DAY. EVEN WITH OUR EXPANDED INTERSTATE SYSTEM, THESE VOLUMES ARE PRODUCING SEVERE PEAK-PERIOD CONGESTION ON ATLANTA'S FREEWAYS, PARTICULARLY ALONG THE NORTHERN SECTIONS OF THE PERIMETER AND RADIAL INTERSTATES.

THE DEPARTMENT HAS BEEN EXAMINING WAYS TO ATTACK THE CONGESTION PROBLEM. WE HAVE BEEN MOST SUPPORTIVE OF MARTA'S EFFORT TO EXTEND THEIR RAIL SYSTEM INTO COBB AND GWINNETT COUNTIES, AND WE ARE JOINTLY WORKING ON A RAIL-HIGHWAY PROJECT IN THE GEORGIA 400 CORRIDOR. BUT DUE TO THE DIVERSITY OF THE SUBURB-TO-SUBURB COMMUTE TRIPS, WE KNOW THAT TRANSIT ALONE CAN NOT SOLVE THE PROBLEM. THE DEPARTMENT IS EVALUATING THE FEASIBILITY OF ADDING A COLLECTOR-DISTRIBUTOR ROAD SYSTEM PARALLEL TO THE CONGESTED SECTIONS ON OUR NORTHERN PERIMETER AND RADIAL INTERSTATES AND FREEWAYS. THE ESTIMATED COST FOR THIS COLLECTOR-DISTRIBUTOR SYSTEM IS $1.5 BILLION.

BUT THAT'S ONLY PART OF THE STORY. IT IS ESTIMATED THAT AN ADDITIONAL $1.9 BILLION WILL BE NEEDED FOR INTERSTATE IMPROVEMENTS IN GEORGIA OVER THE NEXT 20 YEARS. MANY OF THESE IMPROVEMENTS WILL BE NEEDED IN ATLANTA TO PROVIDE ADDITIONAL CAPACITY TO PRESERVE THE EFFICIENCY AND SAFETY OF THE FREEWAY SYSTEM.

OVER THE NEXT TEN YEARS, WE FORESEE THE NEED FOR SIGNIFICANT INCREASES IN THE STATE INVESTMENT IN OTHER MODES. WE WILL NEED TO INCREASE ANNUAL STATE SPENDING BY MORE THAN 120 PERCENT FOR PUBLIC TRANSPORTATION PROGRAMS. AND OVER 500 PERCENT FOR THE STATE'S SHARE OF AIRPORT IMPROVEMENTS.

INCLUDED IN THOSE PROGRAMS WILL BE $50.2 MILLION FOR RAIL BANKING - PRESERVING ABANDONED RAIL CORRIDORS FOR FUTURE USE AS COMMUTER RAIL CORRIDORS OR ROADWAYS. AND $38.6 MILLION FOR PORT EXPANSION AND CHANNEL DEEPENING.

THIS DOES NOT INCLUDE A MAJOR NEW HUB AIRPORT, WHICH WILL BE

NEEDED BECAUSE OF CONGESTION AT ATLANTA'S HARTSFIELD INTERNATIONAL. GEORGIA WILL NEED BOTH PASSENGER AND CARGO FACILITIES. WE ESTIMATE THE START-UP COSTS TO BE ABOUT $750 MILLION. WE ALSO SEE A NEED TO LINK THE NEW AIRPORT TO HARTFIELD WITH A HIGH SPEED RAIL LINE.

I WANT TO IMPRESS UPON YOU THE FACT THAT NEITHER WE NOR ANY OTHER STATE CAN MEET OUR NEEDS ALONE. THE FEDERAL/STATE PARTNERSHIP THAT HAS SERVED US SO WELL IS CRITICAL TO OUR FUTURE.

THE FEDERAL BUDGET COMMITMENT FOR TRANSPORTATION MUST ALSO INCREASE. I STRONGLY SUPPORT THE AASHTO RECOMMENDATION FOR INCREASING FEDERAL HIGHWAY FUNDING FROM $17.6 BILLION IN FISCAL YEAR 1992 To $25.9 BILLION IN FISCAL YEAR 1995. AND INCREASING FEDERAL TRANSIT CAPITAL FUNDING FROM $3.2 BILLION TO $5.0 BILLION OVER THE SAME PERIOD.

I BELIEVE WE MUST TAKE STEPS NOW TO INVEST IN OUR FUTURE.

THANK YOU MR. CHAIRMAN

Department of Transportation
State of Georgia
No. 2 Capitol Square
Atlanta, Georgia 30334-1002

HAL RIVES
COMMISSIONER

G. CHARLES LEWIS
STATE HIGHWAY ENGINEER

FLOYD E. HARDY
DEPUTY COMMISSIONER

ARTHUR A. VAUGHN
TREASURER

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September 13, 1990

The Honorable Glenn M. Anderson, Chairman
Committee on Public Works and Transportation
U.S. House of Representatives
Room 2165 Rayburn House Office Building
Washington, D.C. 20315

Dear Mr. Anderson:

At a hearing of your Committee in Atlanta, Georgia, on August 9, 1990, I gave testimony regarding the MBE program and other issues related to our transportation programs.

Preceding my testimony, Mr. Richard Ossoff, representing a group known as CAUTION, testified in opposition to the proposed Presidential Parkway project in Atlanta. I responded to that very briefly during the hearing. I also responded to some questions which were raised by the Committee. The testimony by CAUTION was unexpected, however, so I was not prepared to answer the points which they raised in any detail. At my request, you graciously agreed that a more complete response be included in follow-up written testimony.

Attached is additional information regarding the proposed Presidential Parkway, which I request be included in the record of the Atlanta hearing. We are delinquent in getting this to you, but I trust that it can still be made part of the record.

Thank you for your continued efforts on behalf of our transportation programs.

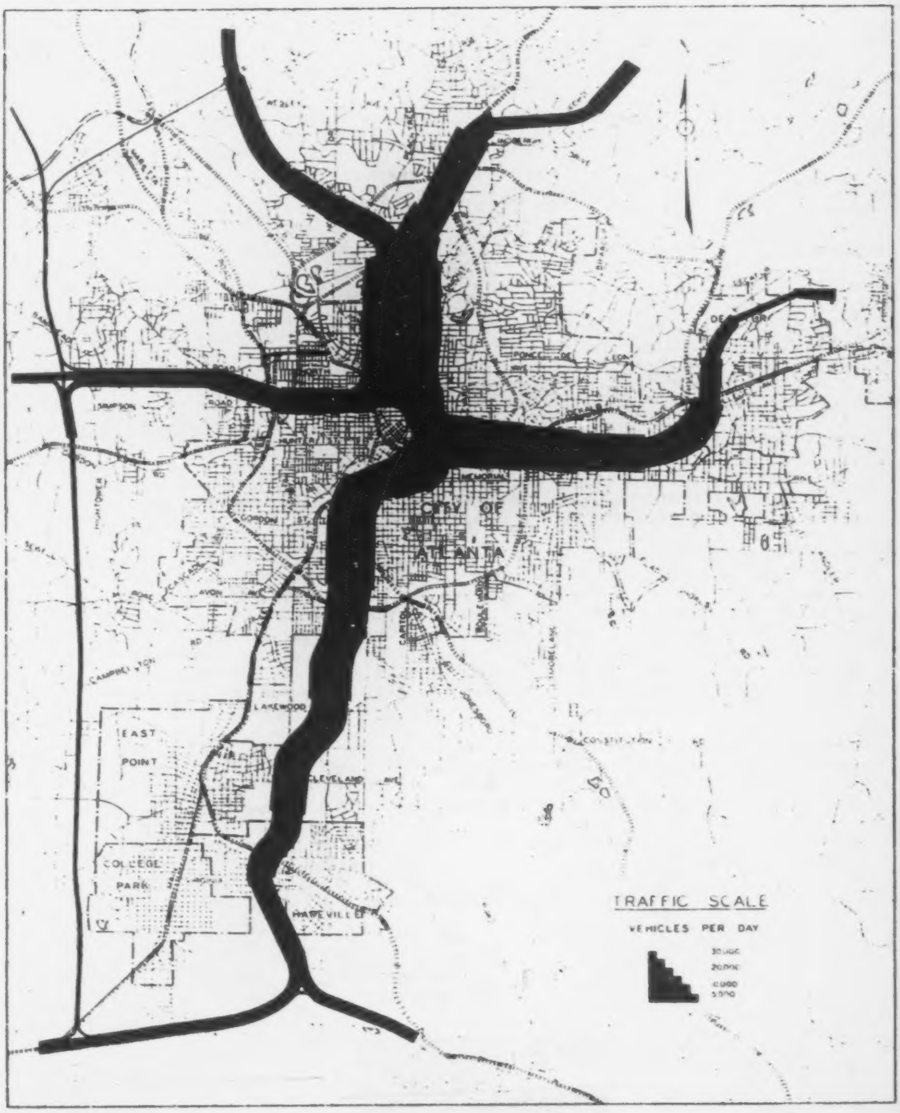
Yours very truly,

Hal Rives
Commissioner

HR:bs

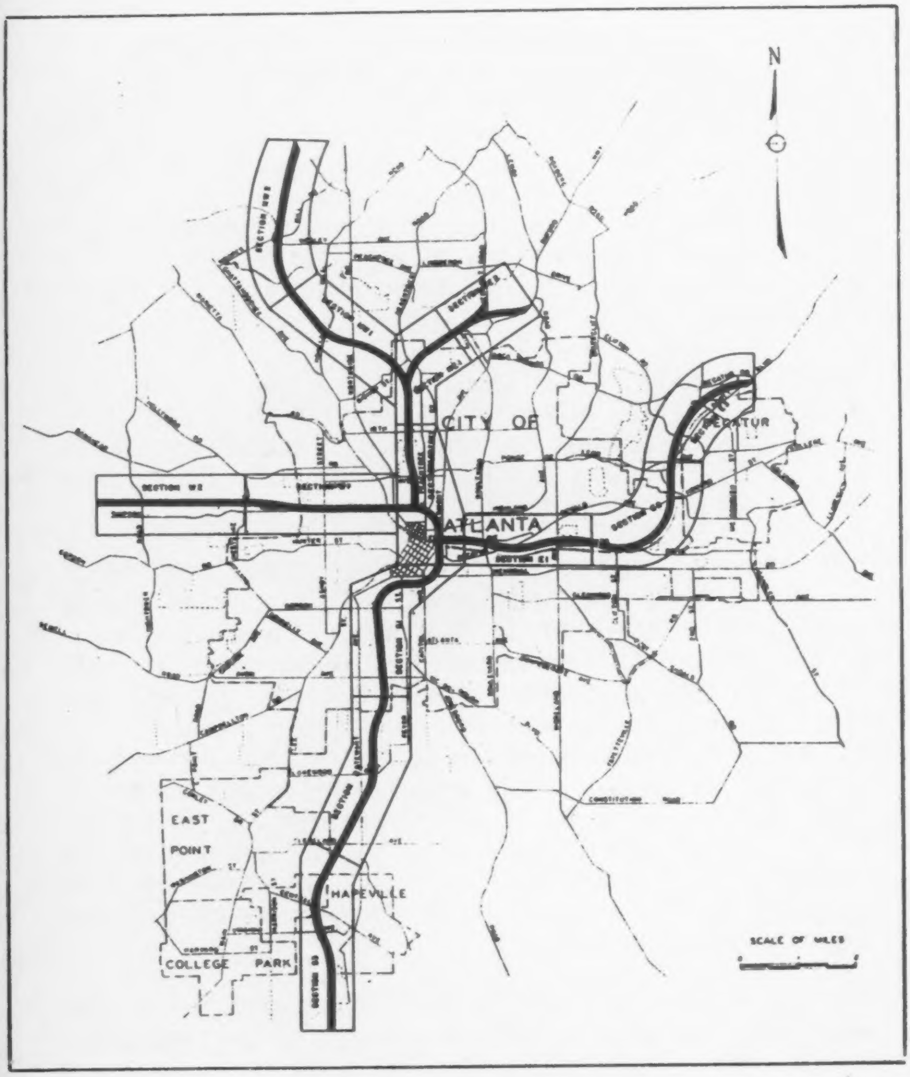
Attachment

[redacted]


CITY OF ATLANTA
EAST POINT
COLLEGE PARK
HAPEVILLE
LAKEWOOD
CLEVELAND AVE
PONCE DE LEON
SIMPSON
GORDON
CAMPBELLTON
TRAFFIC SCALE
VEHICLES PER DAY
30,000
20,000
10,000
5000

The DAILY VOLUMES of 1970 TRAFFIC WHICH WOULD USE THE EXPRESSWAY SYSTEM and the by-pass route to the west of the city.

1946 LOCHNER REPORT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CITY OF
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COLLEGE PARK
SECTION W2
SECTION E1
SECTION S1
SECTION S3
CONSTITUTION ROAD
SCALE OF MILES

Key map of the Expressway preliminary plans.

1946 LOCHNER REPORT

ADDITIONAL TESTIMONY OF HAL RIVES, COMMISSIONER OF GEORGIA DEPARTMENT OF TRANSPORTATION REGARDING QUESTIONS RAISED BY CHAIRMAN ANDERSON CONCERNING PRESIDENTIAL PARKWAY.

BEFORE THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE OF THE UNITED STATES HOUSE OF REPRESENTATIVES

ATLANTA, GEORGIA
AUGUST 9, 1990.

THE FOLLOWING INFORMATION IS IN ADDITION TO MY ANSWERS GIVEN TO YOU ON AUGUST 9, 1990 IN REPLY TO YOUR QUESTIONS CONCERNING THE PRESIDENTIAL PARKWAY AND TESTIMONY GIVEN BY REPRESENTATIVES OF C.A.U.T.I.O.N.

ATLANTA, BECAUSE OF ITS LOCATION, IS A HUB FOR THE WHOLE SOUTHEAST FOR RAIL, ROADS AND AIR TRANSPORTATION. THIS IS THE BASIS FOR IT BECOMING THE GREAT CITY IT CURRENTLY IS AND THE BASIS FOR ITS POTENTIAL GROWTH TO ONE OF THE MAJOR CITIES IN THE WORLD IN THE NEXT TWENTY TO FIFTY YEARS.

A HISTORY OF THE DEVELOPMENT OF THE CITY OF ATLANTA SINCE 1950 IS A STORY OF ITS TRANSPORTATION IMPROVEMENTS. THIS BEGAN WITH THE LOCHNER REPORT COMPLETED IN 1946 WHICH RECOMMENDED A FREEWAY SYSTEM. THIS SYSTEM IS CURRENTLY THE FREEWAY SYSTEM IN PLACE, EXCEPT FOR THE PRESIDENTIAL PARKWAY CORRIDOR. THE NEED FOR A MAJOR ROADWAY IN THE AREA OF THE PRESIDENTIAL PARKWAY WAS RECOGNIZED AS EARLY AS 1946 (SEE ATTACHED COPIES OF MAPS). THE EXPRESSWAY SYSTEM WAS BEGUN BASED ON THE LOCHNER REPORT, AND MAJOR PORTIONS OF THE SYSTEM WERE PLACED UNDER CONSTRUCTION THRU A JOINT EFFORT OF CITY OF ATLANTA, FULTON COUNTY AND THE THEN GEORGIA HIGHWAY DEPARTMENT. THE YEAR 1956 BROUGHT ABOUT THE INCORPORATION OF THE FREEWAY SYSTEM COMPLETED AND UNDER WAY INTO THE INTERSTATE HIGHWAY PROGRAM.

THE FREEWAY BETWEEN BROOKWOOD STATION AND DOWNTOWN ATLANTA WAS MADE A COMBINED ROUTE OF I-75 AND I-85 AND I-20 WAS ADDED TO THE SYSTEM. THE ROADWAY FROM I-75/I-85 ALONG THE ROUTE OF THE PRESIDENTIAL PARKWAY WAS NOT INCLUDED IN THE INTERSTATE SYSTEM.

HOWEVER, AN INTERCHANGE FOR IT WAS PROVIDED. THE FREEWAY SYSTEM IN DOWNTOWN ATLANTA WAS COMPLETED IN THE EARLY 1960'S. DOWNTOWN, AS A RESULT OF IMPROVED TRAFFIC CAPACITY, ON THE NEW FREEWAY SYSTEM, GREW RAPIDLY, AND BY THE LATE 1960'S WAS BECOMING CONGESTED. THE ORIGINAL SYSTEM HAD A MAJOR MISTAKE IN IT AS IT COMBINED I-85 AND I-75 ONTO ONE ROADWAY THRU THE DOWNTOWN AREA. YOU HAD TWO MAJOR FREEWAYS OF 4 LANES EACH FEEDING A SIX LANE COMBINATION ROUTE. THIS DID NOT WORK. A NEW PLAN WAS DEVELOPED AND ADDED TO THE SYSTEM IN 1964. THIS HAD A ROUTE CALLED I-485 WHICH TIED INTO WHAT WAS CALLED THE STONE MOUNTAIN FREEWAY, (LOCATED WHERE THE CURRENT PRESIDENTIAL PARKWAY IS PROPOSED.) AND OTHER ROUTES WHICH WOULD HAVE PROVIDED A COMPLETE FREEWAY SYSTEM FOR THE ATLANTA AREA. THE DEPARTMENT HAD I-485 AND MANY OF THE OTHER ROADS UNDERWAY OR READY TO LET TO CONTRACT WHEN THEY WERE CAUGHT UP IN THE 1970 NATIONAL ENVIRONMENTAL PROTECTION ACT. AS A RESULT OF THIS ACT AND COURT SUITS OVER THE PROJECTS, I-485 AND STONE MOUNTAIN FREEWAY WERE WITHDRAWN FROM THE PLAN IN 1975. THE RIGHT OF WAY FOR THESE PROJECTS HAD BEEN BOUGHT AND MOST ALL HOMES CLEARED. THE DROPPING OF THIS SYSTEM CAUSED A DRASTIC CHANGE IN THE DEVELOPMENT OF THE CITY. INSTEAD OF THE DOWNTOWN AREA CONTINUING TO GROW, THE NEW DEVELOPMENT WENT IN ALONG I-285 BETWEEN I-75 AND I-85 ON THE NORTH AND ALONG I-75 AND I-85 NORTH OF I-285. THE DOWNTOWN CBD AREA EXPERIENCED A LOSS OF EMPLOYMENT OF 5900 JOBS DURING THE 1970'S BECAUSE OF THE NEW FREEWAYS NOT BEING BUILT. THE DEPARTMENT OF TRANSPORTATION IN THE LATE 1970'S RECOGNIZED WHAT WAS HAPPENING AND BEGAN A PROGRAM OF "FREEING THE FREEWAYS" WHICH INCLUDED IMPROVING ALL OF THE DOWNTOWN FREEWAYS. INCLUDED IN THE RECONSTRUCTION WAS A NEW PARKWAY, CALLED THE PRESIDENTIAL PARKWAY, WHICH WAS TO SERVE THE NORTHEAST CORRIDOR WHICH HAD LONG BEEN NEGLECTED. MAYOR ANDREW YOUNG AND THE CITY OF ATLANTA DEVELOPED THE PLAN WHICH INCORPORATED PRESIDENT CARTER'S LIBRARY INTO THE DESIGN. THIS PROJECT WENT THRU THE PLANNING, ENVIRONMENTAL AND OTHER REQUIREMENTS AND WAS PLACED UNDER CONSTRUCTION. A SERIES OF LAW SUITS WERE BROUGHT BY THE OPPOSITION TO THE PROJECT. A FEDERAL LAW SUIT WAS BROUGHT AGAINST THE PROJECT'S 4 F STATEMENT SAYING

THE DEPARTMENT DID NOT CORRECTLY EVALUATE THE PROJECT ALTERNATIVES. THE COURTS DECIDED WE HAD TO REVALUATE ALTERNATIVES, TO AVOID THE USE OF 4 F PROPERTIES AND INCLUDE ALL POSSIBLE PLANNING TO MINIMIZE HARM. THE DEPARTMENT DID A RESTRUCTURING OF ITS 4 F EVALUATION AND AFTER RESUBMITTING GAINED APPROVAL OF THE COURTS WHICH STATED IN THEIR RULING: (1) THERE IS A NEED FOR THE PRESIDENTIAL PARKWAY (2) THAT THE NEED CANNOT BE SERVED WITHOUT SOME IMPACT ON HISTORICAL PARK PROPERTY AND (3) THAT THE PROPOSED PROJECT AS PLANNED MINIMIZED THESE IMPACTS. ANOTHER SUIT WAS BROUGHT IN STATE COURT QUESTIONING THE STATES POWER TO CONDEMN CITY PARK LAND. THIS WAS UPHELD BY THE COURT. A NEW LAW WAS PASSED BY THE STATE TO CORRECT THE DEFICIENCY IN THE LAW AND THIS LAW WAS ALSO QUESTIONED AGAIN BY THE OPPOSITION. THIS IS CURRENTLY IN THE APPEALS PROCESS IN THE COURTS AWAITING A RULING.

THE PROJECT AS PROPOSED PROVIDES A PARKWAY WITH EXTENSIVE LANDSCAPING, PLAYGROUNDS, JOGGING AND BICYCLE PATHS AND PICNIC AREAS. IT DOES NOT TAKE ANY HOUSES. THIS PROJECT WOULD GREATLY ENHANCE THE AREA. THE PROJECT ESTIMATED CONSTRUCTION COST IS $29,000,000.

THERE CURRENTLY EXISTS A PROBLEM OF COMMUTER TRAFFIC FLOWING THROUGH THE RESIDENTIAL STREETS OF THE COMMUNITY. THE CONSTRUCTION OF THE PRESIDENTIAL PARKWAY WILL PROVIDE A GOOD ARTERIAL STREET TO MOVE THE TRAFFIC OUT OF THE NEIGHBORHOOD STREETS AND ONTO A GOOD ARTERIAL WHERE IT WILL FLOW SMOOTHER AND SAFER.

ONE OF THE OPPOSITION'S MAJOR OBJECTIONS TO THE PROJECT IS THAT TRAFFIC GROWTH DOES NOT SHOW A NEED. THEY SAY THERE HAS NOT BEEN A SIGNIFICANT INCREASE IN TRAFFIC IN THE AREA. THE TRAFFIC DID NOT INCREASE GREATLY IN THE PERIOD FROM 1970 TO 1980 DUE TO LOSS OF EMPLOYMENT IN THE CBD. HOWEVER, THIS HAS CHANGED IN THE 1980'S WITH TRAFFIC GROWING ON PONCE DE LEON FROM 25,000 TO 33,000 VPD AT THE SCOTT BOULEVARD INTERSECTION.

PRESIDENTIAL PARKWAY IS A REGIONAL PROJECT WHICH IS A PART OF THE REGIONAL PLAN FOR THE METROPOLITAN AREA THAT HAS BEEN DEVELOPED BY THE ATLANTA REGIONAL COMMISSION (ARC) THRU THE PLANNING PROCESS. IT HAS THE ENDORCEMENT OF THE MEMBERS. IT HAS HAD AN REVALUATION BY THE ARC STAFF THIS YEAR IN WHICH THEY CONTINUED TO SUPPORT THE PROJECT AS ONE WHICH IS NEEDED TO SERVE THE TRIP DEMAND IN THE NORTHWEST CORRIDOR.

SINCE COMPLETION OF RECONSTRUCTION OF THE DOWNTOWN FREEWAY IN THE MID 1980'S, THE CBD HAS GROWN GREATLY. THE WORLD CONGRESS CENTER HAS BEEN BUILT BY THE STATE OF GEORGIA WHICH ATTRACTS TRADE SHOWS. THIS HAS GENERATED A BOOM IN HOTEL CONSTRUCTION. ALSO, THE CITY OF ATLANTA REDEVELOPED UNDERGROUND ATLANTA AS A TOURIST ATTRACTION WITHIN THE CBD. THIS DEVELOPMENT HAS FLOURISHED AND HAS CAUSED A GROWTH IN EMPLOYMENT IN THE 1980'S WHICH HAS CREATED 14,000 NEW JOBS. WHILE THIS IS SMALL IN RELATION TO THE 461,000 JOBS INCREASE IN THE REGION, IT IS AN INDICATION THAT PROVIDING IMPROVED TRANSPORTATION WILL STIMULATE GROWTH. WITH ADDITION OF THE PRESIDENTIAL PARKWAY TO SERVE THE NORTHEAST CORRIDOR WHICH IS CURRENTLY NOT SERVED BY AN ADEQUATE TRANSPORTATION SYSTEM, ADDITIONAL BENEFITS WOULD OCCUR TO THE CBD AND REGION. ALL CITIZENS WOULD THEN HAVE ADEQUATE ACCESS TO THE MAJOR FACILITIES WHICH ATTRACT PEOPLE TO THE CBD.

A SUMMATION OF MY ADDITIONAL TESTIMONY.

1). THERE IS A NEED FOR THE PRESIDENTIAL PARKWAY. THE NEED WAS ESTABLISHED AS EARLY AS 1946. IT HAS BEEN REAFFIRMED AND HAS BEEN VALIDATED BY THE U. S. COURT OF APPEALS.

2). THE CITY OF ATLANTA GOVERNMENT UNDER MAYOR YOUNG DEVELOPED AND ENDORSED THE CURRENT PLAN FOR THE PRESIDENTIAL PARKWAY.

3). THE PROJECT HAS THE ENDORCEMENT OF THE ATLANTA REGIONAL COMMISSION AND HAS BEEN THRU THE COMPLETE PLANNING PROCESS.

4). THE DEPARTMENT AND MARTA HAVE IMPLEMENTED SIGNIFICANT TRANSPORTATION IMPROVEMENTS TO SERVE THE CENTRAL BUSINESS DISTRICT. THIS HAS STARTED A PROCESS OF A COMEBACK FOR THIS

AREA. THIS HAS CAUSED TRAFFIC GROWTH IN THE NORTHEAST CORRIDOR.

5). WITH THE ADDITION OF THE PRESIDENTIAL PARKWAY TO SERVE THE AREA TO THE NORTHEAST WHICH IS CURRENTLY NOT SERVED BY AN ADEQUATE TRANSPORTATION SYSTEM, ADDITIONAL BENEFITS WOULD OCCUR TO THE CBD AND REGION. ALL CITIZENS WOULD THEN HAVE ADEQUATE ACCESS TO THE MAJOR FACILITIES WHICH ATTRACT PEOPLE TO CBD.

6). WE NEED TO CONTINUE OUR CURRENT PROGRAMS SO THAT THE DOWNTOWN AREA WILL CONTINUE TO BE A VIABLE AND HEALTHY AREA OF THE CITY.

TESTIMONY OF DR. CATHERINE ROSS
COLLEGE OF ARCHITECTURE
GRADUATE CITY PLANNING PROGRAM
GEORGIA INSTITUTE OF TECHNOLOGY
ATLANTA, GEORGIA 30332

THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
HEARINGS ON THE INFRASTRUCTURE NEEDS OF THE FIFTH
CONGRESSIONAL DISTRICT OF GEORGIA

AUGUST 8, 1990

We are confronted everywhere with the reality that our infrastructure has suffered from a lack of attention. The characteristics of this neglect are inadequate maintenance, poor management and insufficient budgeting for re-capitalization of the infrastructure. Over the last thirty years public works investment as a percent of GNP has declined from 2.5% to less than half that rate today. As a result, a crises now looms at a time when the nation is least prepared to finance infrastructure reinvestment. Local areas are being forced increasingly to assume the responsibility for the cost of these vital facilities. We find ourselves in this situation nationally and in the Fifth Congressional District of Georgia.

While making decisions on the effectiveness and efficiency of infrastructure, it is important to consider the issue of infrastructure investment in the broadest context possible. Clearly there is an indisputable link between the existence of sufficient infrastructure and increased productivity, income and development. Therefore, it is important that we integrate cutting-edge technology in new capital investments as we re-capitalize the infrastructure. This will make it more supportive of economic growth and improvements in the quality of life. In short, investment decisions must be driven by a concrete evaluation of the extent to which they accomplish specific objectives. Similarly, the development of standards for monitoring and evaluating infrastructure must be tied to investment decisions.

The specific infrastructure needs of the Fifth Congressional District are identified below:

1. The state of the traffic control infrastructure is woefully inadequate. Everywhere it is characterized by antiquated equipment and technology contributing to congestion and impairing mobility. For example in the City of Atlanta approximately 61 percent of the 817 traffic controllers are more than ten years old, 255 are between ten and twenty years old, 189 are between twenty and thirty years old and 53 are more than thirty years old. As a result the maintenance requirements are extensive thereby occupying the majority of staff time.

   With only 300 of the 817 signals under direct computer control, the present system is nearing its maximum ability to expand its communication channels. This means there are 517 signalized intersections operating independently as smaller systems in an isolated mode.

   The growth the City has experienced has placed additional demand on the roadway infrastructure making the upgrade of the system mandatory. The implementation of a traffic control system will take approximately 10 years at a cost of approximately $39,000,000.00.

2. The state of Georgia ranks 11th in the percentage of county bridges in need of repair with 3,200 bridges in the state having structural problems. This is generally of one-third of the bridges maintained by counties and cities. Bridges and viaducts needing immediate attention in the City of Atlanta total approximately $29,000,000.00.

3. The 1990-1994 Areawide Capital Improvements Program identifies the need for $750,000,000.00 worth of projects at regionally significant airports in the Atlanta area. There are five publicly owned airports, one proposed airport and two privately owned reliever airports. Of this amount $591,000,000.00 is needed for Hartsfield Atlanta International Airport, $119,000,000.00 for Fulton county Airport and $6,140,000.00 for Dekalb-Peachtree Airport.

   In 1989 Hartsfield was the second busiest airport in the world. In response to this a number of improvements must be made. However it has been determined that these will still leave Hartsfield unable to meet the region's total air carrier needs. Consequently a second airport has been proposed to serve the needs of the regions origin/destination passenger market. Such a facility would enable the region to accommodate the long-term projections for air carrier operations. There is currently an effort underway to better define issues surrounding the location,size, feasibility, financial structures, intermodal connections etc.

4. The continued construction of MARTA is vital to the Fifth Congressional District and to the Atlanta region. Federal requirements mandate an ongoing transportation planning process and the specification of Transportation Improvement Projects (TIP). The total cost of rail construction in the TIP is $509,000,000.00. The total cost of MARTA including rail construction and the transit operations program for fiscal years 1991-1998 is approximately $724,508,000.00.

5. Highway and highway related improvements for the City of Atlanta for the years 1991-1998 listed in the TIP total $109,000,000.00. The improvements primarily consist of the widening of arterials, transportation system management strategies and upgrades. The total for Dekalb County is $134,504,000.00 with more than $35,500,000.00 of that needed for projects in South Dekalb County.

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TRAFFIC SIGNAL SYSTEM EVALUATION

IMPLEMENTATION PLAN and ENERGY IMPACTS

Prepared For:

City of Atlanta

Bureau of Traffic and Transportation

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I. IMPLEMENTATION PLAN

The City of Atlanta is proud to have been one of the first cities in the nation to implement computerized traffic signal control. The existing Traffic Data Acquisition and Control System (TDACS), has paid for itself in gasoline and motorist time savings, as well as reduction in vehicle emissions, many times over. However, after seventeen years, which is exceptional considering the advancements in computer technology, the system has reached the end of its useful life. The Bureau is currently spending the majority of their staff time maintaining the operational status of the system on a day-by-day basis. With the implementation of new hardware and software components, the emphasis can be shifted from maintaining the system, to managing traffic on a daily basis. Traffic control system technology has developed far beyond the Bureau's current system capabilities.

The primary objective of this study was to formulate a computerized traffic control system concept that identified the operational characteristics of a central computer system in conjunction with the electronic control equipment at signalized intersections.

This system evaluation study also included an assessment of the operational conditions of the existing field hardware. The results of the assessment as concluded by the members of the Blue Ribbon Committee, is that the City's traffic signal infrastructure requires widespread intersection upgrade and replacement not only of the electronic equipment which time and coordinate the signals, (of which sixty-one percent exceed ten years of age), but also of the signal mounting poles, wires, and signal heads, which are the basic components of a signal installation. As a result, the City is in the process of establishing a ten year traffic signal modernization program.

The Blue Ribbon Committee also concluded that the existing computerized central traffic control equipment is nearing or in some cases, has exceeded its useful life and should be replaced. Some equipment could be retained through transition to a new system, but should not be integrated into a new system.

It is evident from the recommendations of the Blue Ribbon Committee, that a signalized intersection update and a central computer system update will be required to accomplish the City's goal of expansion and renovation of TDACS. These two objectives can be accomplished by the implementation of: (1) a traffic signal modernization program and; (2) a central computer modernization program. An interrelationship between these two programs exists in that the new computerized traffic control system when installed, will interface with the new controller equipment that will have been installed in the field. Therefore, to minimize the time necessary to accomplish the goal of renovating and expanding TDACS, and produce an early return of accrued benefits to the driving public (i.e. signal coordination), these programs should be implemented concurrently.

CENTRAL COMPUTER MODERNIZATION PROGRAM

The central computer modernization program would consist of the design and installation of a new, technically advanced, central computer traffic control system (Direct Database), based on the recommendations of the Blue Ribbon Committee. The operating staff would establish a traffic systems management program to not only monitor equipment operation and establish traffic flow timing patterns, but also generate timing plans and develop inventory files for maintenance records. The system would also be designed with an open architecture to allow for the integration of additional devices such as Geographic Information Systems (GIS) as well as ramp metering, changeable message signs, and video surveillance for incident detection and management of both the freeways and surface streets. Idealistically, the new traffic control system and management program could be expanded across jurisdictional boundaries.

The new central computer system would be compatible for surveillance and control of the new electronic field equipment to be installed in the traffic signal modernization program. It is estimated that the design, construction, and implementation of the central computer system could be completed within a three to five year time period.

The central computer modernization program is divided into two phases: (1) the central system design and; (2) the construction and installation of the system. The annual funding allocation for this program should be sufficient to allow for construction of the new system to begin upon completion of its design. Program delays occurring between the completion of the design phase, and the start of the construction and installation phase, could result in subsequent design revisions and also render construction cost and scheduling estimates inaccurate.

TRAFFIC SIGNAL MODERNIZATION PROGRAM

The ten year traffic signal modernization program would consist of the potential replacement (subject to engineering review), of all signal related intersection equipment. This would include replacement of controllers and cabinets, detectors, communications equipment, cable, poles, and signal heads where necessary, due to age and/or maintainability.

It is anticipated that the first cycle (ten years) of the traffic signal modernization program would be an intersection renovation or rehabilitation process requiring extensive field construction. The results of this program would contribute to the intersection's visual impact with regard to both improved safety and improved aesthetics. It would also result in the technical upgrade of the electronic intersection components. The costs associated with the traffic signal modernization program have been estimated to comprise approximately eighty-seven percent (87%) of the entire cost for the TDACS expansion and renovation project. Therefore, to complete the expansion and renovation of TDACS, the majority of program funds would be needed to be spent in the field on the traffic signal modernization program. If the traffic signal modernization program is implemented over a ten year period, upon it's completion, future intersection upgrades would be less cost intensive. This would result from the fact that many of the poles, cable, and signal heads that were replaced in the first ten years, would be reusable.

For purposes of this evaluation, an appraisal was conducted of existing field hardware for control systems operating as part of the central system or as part of the numerous small independent systems within the city limits, as well as those intersections operating in a purely isolated mode. This appraisal conducted in the summer of 1989, consisted of an identification of the age of equipment in operation. Seven categories of age were developed as follows:

CATEGORY	AGE OF EQUIPMENT (YEARS)
1	> 30
2	26 - 30
3	21 - 25
4	16 - 20
5	11 - 15
6	6 - 10
7	0 - 5

Based on the results of the review which consisted of discussions with Bureau staff and an update of a previous system expansion study which developed a staged signal implementation plan, the existing systems and isolated intersections were grouped into these seven categories. A summary of the results are provided below. A complete listing of the classification of individual systems is provided in the appendix. A signal system age classification map has also been provided in the appendix.

CATEGORY	NUMBER OF INTERSECTIONS
1	53
2	101
3	88
4	74
5	181
6	169
7	151
TOTAL	817

The total number of signals in these categories includes the 128 pretimed signals in the 5 subareas located downtown that have already been identified for immediate replacement. These signals have been classified as Category 1, 2, or 3.

This information should be utilized as the initial step to prioritize or schedule the upgrade of field hardware throughout the ten year modernization program. Approximately 80 intersections a year should be scheduled for renovation to complete the program within a ten year period. Intersections identified in Categories 1, 2, and 3 should be targeted for renovation within the first three years of the program starting with Category 1 intersections. Intersections identified in Categories 4 and 5 should be targeted for renovation during the subsequent three years, and those intersections classified as Category 6 and 7 should be scheduled for renovation during the last four years of the program.

The scheduling of signal renovations or upgrades should remain somewhat flexible to allow for the ability to accommodate unexpected occurrences such as emergency replacement needs, which could impact the priority schedule. Therefore, an annual review and update of the intersection category listing should be performed. This annual review will allow the Bureau staff to finalize the construction schedule of intersections to be upgraded the following program year, and to tentatively identify those intersections which require plans preparation for renovation in the subsequent year.

IMPLEMENTATION PLAN

The following is a brief description of a potential traffic control system modernization project. This project has been developed assuming that funding has been secured and therefore, a ten year traffic signal modernization program and a three year central computer modernization program would be implemented concurrently. As a result, this potential TCS modernization project description provides an outline of anticipated program staging elements on a yearly basis.

This program description was also developed assuming the start of the central computer modernization program and the start of the traffic signal modernization program to both occur in Year ONE. If project funding is limited at first, the start of the central computer modernization program could be delayed for two or three years. However, additional delays would impact the time frame for interfacing the new computer system with the new control equipment installed in the field under the traffic signal modernization program.

There are unique benefits to the implementation of each program. Equipment reliability and maintenance would be improved as a result of implementing the traffic signal modernization program. Installing a new computer system would enable additional signals to be centrally controlled. However, the combined benefits of coordination, and improved monitoring and surveillance functions, would be postponed by delaying the start of the central computer modernization program. The existing outdated computer system could not effectively utilize the technological enhancements associated with the new traffic control equipment.

Year ONE (1990)

To complete the ten year traffic signal modernization program, 80 intersections should be scheduled for renovation each year. Approximately 80 intersections located in the downtown area as part of a 128 signal pretimed system operated by 5 subarea masters, have already been identified for upgrade in Year ONE. This equipment is primarily old, experiences frequent problems, and is not under direct supervision of the traffic control system. Therefore, a high priority exists to incorporate these intersections into a new more flexible system.

The City has identified existing bond funds that will be directed towards the traffic signal modernization program for Year ONE. However, it is uncertain if these funds will be sufficient to complete the design and upgrade (furnish and installation costs) of the proposed yearly schedule of intersections. In addition, design plans should be prepared in Year ONE for the scheduled renovation of intersections to be upgraded in Year TWO. Therefore, the existing funds will be utilized to complete the upgrade in Year ONE of as many intersections as possible.

With the completion of this study to formulate a computerized traffic control system concept, the system design process could begin. This would be the first phase of the central computer modernization program and would consist of retaining a traffic control systems consultant to develop a detailed central computer system design based on the recommendations developed by the Blue Ribbon Committee, and then prepare plans and specifications accordingly for construction and installation of the computer system. The system design tasks would include the development of: a central computer configuration; communications interface and surveillance requirements; visual displays (color graphics and wall map displays); central software applications; computer room layout; acceptance testing; training; operator interface; and detailed project scheduling and cost estimates.

The system design should take approximately twelve to eighteen months to complete. Estimated system design project costs for Year ONE have been developed. Program funding for the system design would need to be appropriated in the 1990 budget if the central computer modernization program is to begin in Year ONE, concurrently with the traffic signal modernization program.

Year TWO (1991)

Assuming both programs are initiated in Year ONE, several project activities for both the traffic signal modernization program and the central computer modernization program, can be in operation during this year. Construction could begin on the renovation of the remaining signals of the 128 signal pretimed system initiated in Year ONE, followed by those intersections identified as Category 1 and 2.

Intersection design plans would also be developed for the scheduled renovation of Category 2 and 3 intersections to be upgraded in Year THREE, as part of the traffic signal modernization program. The prioritizing and scheduling of signal upgrades to be completed in this and subsequent years, would be based on the review and annual update of the intersection category listing.

The central computer system design should be completed during this year. Upon approval of the design and the completion of the plans and specifications, construction of the system would begin. The construction and installation aspects of the central computer system would include the purchasing of equipment; initiating work on the development of the central traffic applications software and; field and central site construction in preparation for the installation of the central computer, communications, surveillance, and display equipment.

Additionally, work would begin on the development of timing plans and the system database to be installed on the central computer. The central computer would utilize these timing plans to provide coordination between the signalized intersections. The start of the system construction would also require the start of construction program inspection and management, as well as initiating acceptance testing procedures for the new central system equipment.

Year THREE (1992)

The third year of the central computer modernization program would entirely be committed to the construction of the central system. The renovation of the scheduled Category 2 and 3 intersections would also occur as part of the scheduled Year THREE traffic signal modernization program. Additionally, intersection design plans would be developed for another series of intersections in Category 4 to be renovated in Year FOUR.

The assemblage of the central system components and the computer room configuration should be completed this year. The central computer modernization program would then proceed with the installation of the central system hardware and software, and a continuation of equipment acceptance testing.

Field construction as part of the central computer modernization program, would continue from the previous year with the installation of the necessary communications components to interface the field hardware with the new central system. The field integration would then proceed with initial intersection testing, followed by the transfer of intersections onto the new system from the old system.

The development of the system timing plans and database would continue throughout the year. Personnel training activities would also begin. Project management and inspection would be an ongoing process.

Year FOUR (1993)

The central computer modernization program work efforts for this year would be primarily centered around completion of the central system acceptance testing, finalization of the software development, and central site equipment installation. The work efforts would then be concentrated on the transition of central computer operations from the old system, to the new system.

This transition of computer control would include not only the transfer of signalized intersections currently under control of TDACS to the new system, but also the scheduled pick-up of additional signalized intersections previously operating as isolated or operating as independent coordinated systems without central control or monitoring capabilities. At this stage of implementing the new computerized traffic control system, personnel training would be intensified. The Bureau's staff members would have an active role in the daily operations of the new system.

The signal timing plans generated for the new system would be installed on the new central system. As coordinated groups of signals are brought on-line under control of the new system, the signal timing plans would be field evaluated and fine-tuned.

The renovation of scheduled Category 4 intersections would be completed as part of the traffic signal modernization program for this year. The design work for an Category 5 intersections to be renovated in Year FIVE, would also be accomplished.

Year FIVE (1994)

The fifth year of the TDACS renovation and expansion project would culminate in the completion of the central computer modernization program, and the upgrade of approximately 400 signalized intersections as part of the traffic signal modernization program. The new system would be fully operational and in control of a majority of these signalized intersections by the end of the year.

Central system and field related construction efforts would be completed. The final aspects of the personnel training would be conducted and also scheduled for completion this year. Project management and inspection efforts could begin to be reduced.

Work efforts would continue on the staged implementation of surveillance equipment. System timing plan development, evaluation and fine tuning would also continue.

Intersection design work as part of the continuing traffic signal modernization program would proceed for the remaining Category 5 intersections to be renovated the following year. The renovation of scheduled intersections identified as high priority in Category 5 from the previous year would be completed.

Years SIX - TEN (1995 - 1999)

The remaining years of the TDACS renovation and expansion project would consist of similar work efforts on a yearly basis. Each year a series of intersections would be identified for upgrade based upon a review and update of the intersection category listing. Design plans would be developed for these intersections. Concurrently, the renovation of scheduled intersections identified the previous year, would also be undertaken.

As the remaining signalized intersections in Categories 5, 6, and 7 are renovated, they would be incorporated into the new computerized central traffic control system. Therefore by Year TEN, the majority of the city's estimated 817 signalized intersections would be under control and supervised by the new central traffic control system. By the end of Year TEN, the traffic signal modernization program would be complete.

Years SIX and SEVEN would also include the completion of the remote camera surveillance system. The time tables for this operation could be shifted forward or extended throughout the ten year plan, provided the system design and field construction has included the installation of this system.

Training for the Bureau staff members would also be conducted. This would include updates for additional system components, and the basic system training for new personnel.

IMPLEMENTATION COSTS

The allocation of funds for implementation of these two programs has not been established. The ten year implementation schedule presented in this chapter assumed that annual funding had been secured for both programs. Based on this assumption, preliminary cost estimates have been developed for the implementation of both the central computer modernization program and the traffic signal modernization program, to occur simultaneously and be completed within a ten year period.

Preliminary cost projections for the completion of both programs have been estimated to be approximately 38.5 million dollars. Of this total, approximately 13% or 5 million dollars has been projected for the central computer modernization program, and 87% or 33.5 million dollars projected for the traffic signal modernization program. As shown by these projections, the majority of the total cost estimates would be allocated for the upgrade of the signal related field equipment. The ten year funding schedule is summarized below:

TEN YEAR FUNDING SCHEDULE FOR IMPLEMENTATION PLAN

Year	Central Computer Modernization	Traffic Signal Modernization	Total
1	$ 350,000	$ 1,680,000	$ 2,030,000
2	$ 500,000	$ 3,317,000	$ 3,817,000
3	$2,325,000	$ 4,124,000	$ 6,449,000
4	$1,275,000	$ 4,674,000	$ 5,949,000
5	$ 105,000	$ 3,724,000	$ 3,829,000
6	$ 85,000	$ 3,364,000	$ 3,449,000
7	$ 85,000	$ 3,364,000	$ 3,449,000
8	$ 85,000	$ 3,114,000	$ 3,199,000
9	$ 85,000	$ 3,114,000	$ 3,199,000
10	$ 85,000	$ 3,034,000	$ 3,119,000
TOTAL	$4,980,000	$33,509,000	$38,489,000

Figure 1.1 graphically portrays the proportional relationship of the estimated annual costs with respect to the traffic signal modernization and central system modernization program. These graphs illustrate that the majority of funding for each year will be directed towards the upgrade of field related equipment.

The graphs in Figure 1.1 also illustrate the estimated projected annual funding requirements within each program. As illustrated, funding level requirements for the central computer modernization program would peak in Year THREE followed by a reduction in funding levels in Years FOUR, FIVE, and SIX. Funding would then remain at a constant level from Year SIX through Year TEN. The funding requirements for the last five years of this program would be necessary to complete the development of signal system timing plans to coincide with the addition of signals under central system control.

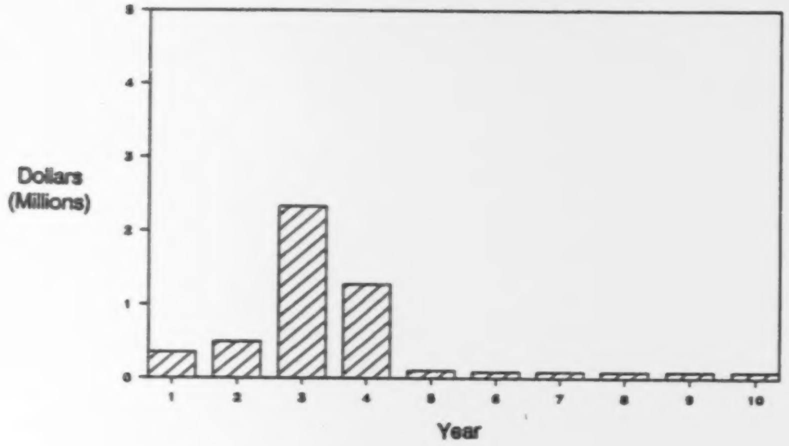
With regard to the traffic signal modernization program, Figure 1.1 illustrates that funding requirements would peak in Year FOUR, consistent with the completion of the central system installation. Funding for the remaining six years of the program would continue at an approximate uniform rate to complete the signal renovations, but at a reduced funding level from Year FOUR.

To develop cost estimates, work efforts and equipment requirements were formulated into cost categories for each modernization program. Table 1.1 identifies the estimated annual costs and funding requirements for the cost categories within each program.

Cost categories for the central computer modernization program include: system design; software development; timing development; acceptance testing; training; computer hardware; and operator interface equipment. Cost categories developed for the traffic signal modernization program include: intersection design; integration; inspection & management; communications equipment; cable installation; surveillance system; and the reconstruction of the traffic signal infrastructure including controllers, detectors, poles, signal heads, and wiring as necessary.

The cost category funding requirements for each program have been graphically illustrated in Figures 1.2 and 1.3. Figure 1.2 is a proportional allocation of the estimated 5 million dollar cost for the central computer modernization program. Figure 1.3 displays the proportional allocation of the estimated 33.5 million dollar cost for the traffic signal modernization program.

Central Computer Modernization Costs



Traffic Signal Modernization Costs

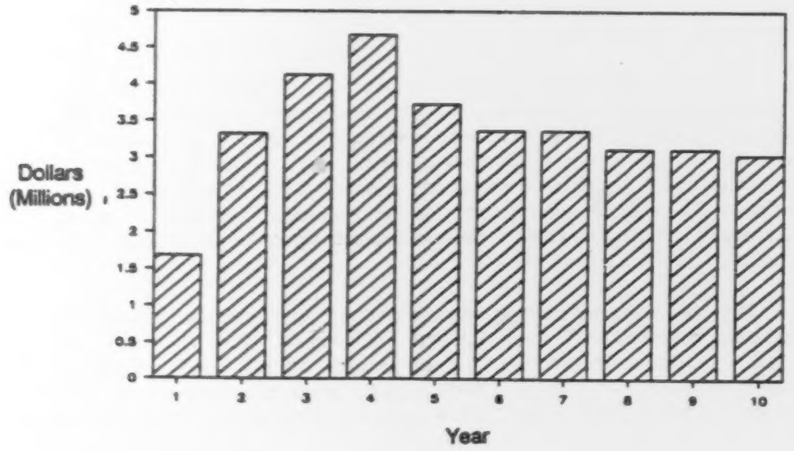


Figure 1.1 - TCS Modernization Costs

CENTRAL COMPUTER MODERNIZATION PROGRAM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
System Design	350,000	100,000	25,000	0	0	0	0	0	0	0	475,000
Software Development	0	250,000	250,000	50,000	0	0	0	0	0	0	550,000
Timing Development	0	150,000	125,000	75,000	80,000	80,000	80,000	80,000	80,000	80,000	830,000
Acceptance Testing	0	0	85,000	50,000	0	0	0	0	0	0	135,000
Training	0	0	35,000	50,000	25,000	5,000	5,000	5,000	5,000	5,000	135,000
Computer Hardware	0	0	1,600,000	850,000	0	0	0	0	0	0	2,450,000
Operator Interface	0	0	205,000	200,000	0	0	0	0	0	0	405,000
TOTAL CENTRAL SYSTEM	350,000	500,000	2,325,000	1,275,000	105,000	85,000	85,000	85,000	85,000	85,000	4,980,000

TRAFFIC SIGNAL MODERNIZATION PROGRAM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Intersection Design	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	0	720,000
Integration	0	75,000	250,000	200,000	100,000	50,000	50,000	50,000	50,000	50,000	875,000
Inspect / Manage	0	40,000	100,000	150,000	100,000	40,000	40,000	40,000	40,000	40,000	590,000
Communication Equip	0	0	300,000	400,000	200,000	100,000	100,000	100,000	100,000	100,000	1,400,000
Cable Installation	0	0	800,000	500,000	250,000	250,000	250,000	250,000	250,000	250,000	2,800,000
Surveillance System	0	0	0	750,000	400,000	250,000	250,000	0	0	0	1,650,000
Signal Renovation	1,600,000	3,122,000	2,594,000	2,594,000	2,594,000	2,594,000	2,594,000	2,594,000	2,594,000	2,594,000	25,474,000
TOTAL SIGNAL MODERNIZATION	1,680,000	3,317,000	4,124,000	4,674,000	3,724,000	3,364,000	3,364,000	3,114,000	3,114,000	3,034,000	33,509,000
TOTAL COST	2,030,000	3,817,000	6,449,000	5,949,000	3,829,000	3,449,000	3,449,000	3,199,000	3,199,000	3,119,000	38,489,000

TABLE 1.1 ATLANTA TDACS RENOVATION AND EXPANSION PROJECT -- TEN YEAR PROJECTIONS

GY GRAY-YAUCH associates

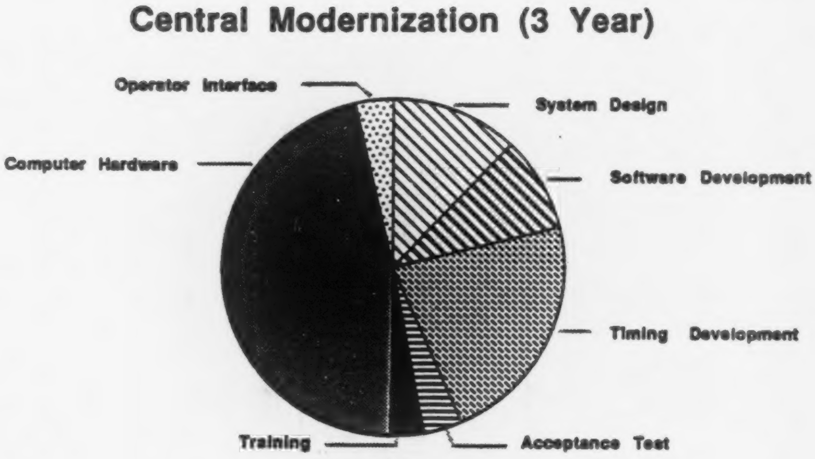


Figure 1.2 - Central Computer Proportional Cost Allocation

Traffic Signal Modernization (10 Year)

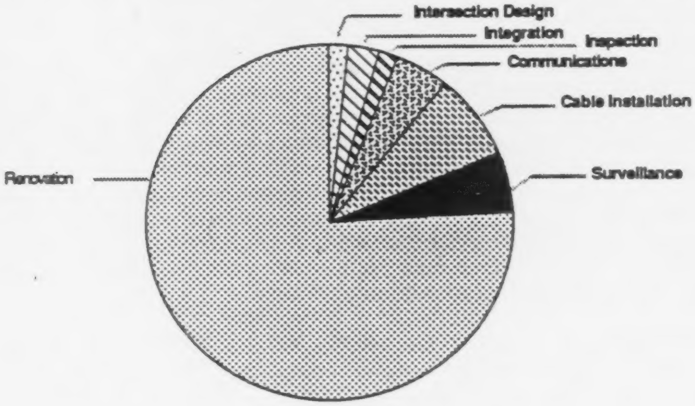


Figure 1.3 - Field Hardware Proportional Cost Allocation

II. ENERGY IMPACTS

For urban area transportation impacts, traffic signal system improvements are considered a very cost-effective energy conservation measure. Traffic signal system improvements range from signal timing optimization to areawide computer control. The Florida Department of Transportation, for example, has implemented several signal system retiming projects. The results of these projects indicate that an annual fuel savings per year of 8,000 gallons per intersection could be expected.

Researchers have noted that one of the main reasons why new computer based systems outperform the previous existing system is that the implementation of computer control is nearly always accompanied by an increase in effort devoted to optimizing signal timing and correcting a variety of minor malfunctions in signal system operation. In a sense, most computer control systems provide the traffic engineer more time to maximize the system's operational capabilities. This factor combined with the benefits of enhanced operation and maintenance generated from advanced traffic surveillance and hardware monitoring features, will almost always result in improved traffic performance, even when compared to fairly high-quality base-condition control systems.

Experience from across the country has indicated that the level of improvement resulting from a traffic signal improvement project is dependent on the prior existing operational conditions. Research has determined that the interconnection of previously uncoordinated pretimed signals with an advanced computer based control system and new optimized timing plans can result in a 25 percent improvement in speed or travel time. A 17.5 percent improvement can result with the installation of an advanced computer based control system and optimized timing plans where previous conditions consisted of interconnected pretimed signals and old timing plans. Advanced computer based control for previously non-interconnected actuated signals can result in a 16 percent improvement. Finally, an eight percent improvement can be realized with advanced computer based control where previous conditions consisted of interconnected pretimed signals with actively managed timing plans. Reduction in travel time can also result in a reduction in vehicle hours and fuel consumption.

In Atlanta as in many other cities, there is considerable awareness of the negative effect that automobile usage has on air quality. Automobiles in urban areas are responsible for the emission of three types of pollutants: Carbon

Monoxide (CO), Hydrocarbons (HC) and Oxides of Nitrogen (NO_x). Automobiles contribute approximately 70% of the total of these pollutants in the atmosphere. Vehicle emissions are a function of various types of vehicle operation such as:

- A reduction in stopped time (idling) reduces CO, HC, and NO_x emissions for a vehicle trip of a given length.
- A reduction in the number of acceleration and deceleration cycles reduces CO and HC emissions for a vehicle trip of a given length.
- An increase in "cruise" or "steady state" speed will reduce CO and HC emissions but may increase NO_x emissions for a vehicle trip of a given length.

The implementation of traffic control system improvements will have a positive effect on the reduction of pollutants. The most significant gains will be at ground level at the intersections.

The installation of new signal systems or the upgrading of older systems has proven to be very cost-effective and beneficial to the public. The central computer system proposed for the City of Atlanta, would be designed to incorporate as a minimum, the 300 signalized intersections currently operating as part of the TDACS, the 376 signalized intersections operating in the numerous small independent closed loop, TM, or sub-area master signal systems, and the 141 currently isolated intersections within the City limits.

There are advantages to central system control for the 141 isolated intersections as well as replacement of the present outdated equipment at these locations. The operational status of independent, isolated intersections can not be monitored from a central location. Therefore, if an equipment malfunction developed, it would only be detected by a routine field maintenance check of the intersection or by a phone call from the public. By incorporating isolated intersections into the traffic control system, it would be possible to monitor these locations for malfunctions. Additionally, the new equipment to be installed at these locations would improve equipment reliability and reduce maintenance calls, thereby improving operating efficiency. In conjunction with these actions, new signal timings would also be developed for these intersections. Research has shown that the retiming of isolated intersections can result in a 50% decrease in delays at these locations which would in turn reduce motorist travel time.

This chapter will illustrate the benefits of implementing a new central traffic control system. It will demonstrate the impact of expanding the City of Atlanta's computerized system to incorporate all of the estimated 817 signalized intersections under the control of traffic computers at City Hall. The major objective to be accomplished is to improve traffic flow efficiency by reducing stops and delays, improving fuel consumption, and reducing pollutant emissions.

The information in this chapter was derived mathematically by combining the results of two previous before and after studies conducted in Atlanta which consisted of an impact assessment of placing under central computer control intersections that were operating in various types of independent systems.

For the analysis of this proposed project, it was assumed that intersections would receive new microprocessor based controllers, be brought on line into a single central monitoring and control system, and also retimed to provide improved traffic flow throughout the system. Further, it was assumed that system sensors for traffic responsive operation would be embedded in the roadway pavement at strategic locations throughout the City.

METHODOLOGY

This impact analysis uses as a baseline, the before-and-after results obtained from the Parsonson & Associates studies. Coincidental with the City's decision to incorporate the independent signal systems along Piedmont Road and Martin Luther King, Jr. Drive into the existing central traffic control system, Parsonson & Associates conducted before-and-after speed-and-delay field studies to assess the impact. The results demonstrated that travel time and speed improved significantly in both directions of travel and that vehicle operating costs and time costs to motorists, as well as fuel consumption and pollutant emission were reduced significantly. Results were recorded in four areas:

1. Motorist Time Cost
2. Fuel Consumption
3. Cost versus Payback
4. Pollutant Emission

The study results of two separate projects were chosen for the baseline analysis, to attain a more accurate representation of existing system operational characteristics. The City of Atlanta has a multitude of independent systems with different characteristics such as the age of existing equipment, number of intersections in a system, volume of traffic in the system, types of side streets intersecting the main street of the system, and land use characteristics within each system. The varying characteristics within each of these two systems impacted the study results, demonstrating that these factors are important in the assessment of impacts. The Piedmont Road system integration resulted in benefits exceeding those attained from the M.L.K. Drive central system expansion. It was assumed that the results were typical for these respective systems. Therefore, the results of these two projects were chosen for the baseline analysis, with their individual results combined and expanded to give a representation of the expected results for the remaining independent systems throughout the City.

The baseline studies employed the RUNCOST computer program to produce estimates of the time cost of operating the average vehicle under conditions observed before and after each independent system was integrated into central system control. The results of these two studies are provided in Tables 2.1 and 2.2.

The results of the M.L.K. Drive and Piedmont Road studies were combined and reduced to a per intersection basis. These values were then adjusted using the Consumer Price Index to account for the rate of inflation occurring between the time that the baseline studies were conducted in 1986 and today. These results are provided in Table 2.3.

Of the 676 coordinated intersections in the City of Atlanta, 376 operate in independent systems, similar in characteristics to the baseline studies. Therefore, they would be expected to receive a similar magnitude of benefits. The 300 coordinated intersections currently on the central system would also receive benefits from the implementation of a new computer based system, but of a slightly lesser magnitude. Research has shown that these signalized intersections can receive approximately two-thirds the benefits attained when intersections operating in independent systems are integrated into a more advanced central computer system.

The projected levels of improvement developed for each of these intersection groupings were then combined using a weighted average according to the respective number of intersections within each group, to estimate the overall benefits that would result from the implementation of the new computerized traffic control system. The results are provided in Table 2.4, and are discussed in the following subsections. The 141 isolated intersections would not receive the same quantifiable benefits as either of the two groupings, and thus were excluded from these calculations.

CHANGE	BEFORE	AFTER	%
Stops and Delays (hours/week)	7,735	7,296	- 5.7
Fuel Consumption (gals/week)	12,954	12,544	- 3.2
Pollutant Emmission (lbs/week)	27,483	26,327	- 4.2

Table 2.1 Results of the M.L.K. Study

CHANGE	BEFORE	AFTER	%
Stops and Delays (hours/week)	25,555	19,483	- 23.7
Fuel Consumption (gals/week)	36,907	29,469	- 20.2
Pollutant Emmission (lbs/week)	92,940	65,502	- 29.5

Table 2.2 Results of the Piedmont Study

CHANGE	BEFORE	AFTER	%
Stops and Delays (hours/week)	1,454	1,170	- 19.6
Fuel Consumption (gals/week)	2,179	1,836	- 15.7
Pollutant Emmission (lbs/week)	5,262	4,013	- 23.7

Table 2.3 Summary of Findings for Expansion of the City's Traffic Control System
(value are given per intersection and indexed to inflation)

CHANGE	BEFORE	AFTER	%
Stops and Delays (hours/week)	982,904	819,420	- 16.6
Fuel Consumption (gals/week)	1,473,004	1,275,336	- 13.4
Pollutant Emmission (lbs/week)	3,557,112	2,837,588	- 20.2

Table 2.4 Summary of Findings for Expansion of the City's Traffic Control System
(value are based on 676 intersections and indexed to inflation)

STOPS AND DELAY

Stops and delays in the baseline studies were derived by assessing many different forms of data. These study results which were combined, averaged, and indexed to inflation, can be applied to the 376 signalized intersections operating in independent systems. As shown in Table 2.3, before the signal system improvement is made, the accumulated stops and delays per intersection is 1,454 hours/week. After the signalized intersections are brought under central computer control, it is estimated that the stops and delays will be reduced to 1,170 hours/week. Overall this is a reduction in stops and delays of 19.6%. Expanding this information to encompass the 376 independently coordinated intersections and the reduced benefits anticipated from the 300 signalized intersections currently under central computer control, indicates that before the signal system improvement, total stops and delays for 676 coordinated intersections are approximately 982,904 hours/week which will be reduced to 819,420 hours/week after the implementation of the new system as shown in Figure 2.1. This translates into a projected reduction of 16.6%, or a savings of 163,484 hours/week in stops and delays at coordinated intersections.

FUEL CONSUMPTION AND POLLUTANT EMISSION

In a similar fashion, excessive fuel consumption and pollutant emission due to stops and delays was determined before and after the proposed improvement. Excessive fuel consumption is determined to be 0.007 gal/stop and 0.00022 gal/second for delay. The results of the baseline analyses applied to the 376 signalized intersections indicates that fuel consumption per intersection prior to the signal system improvement is 2,179 gallons per week, and 1,836 gallons per week after the improvement: a reduction of 15.7% as shown in Table 2.3. Applied to 676 coordinated intersections, total fuel consumption is 1,473,004 gallons per week before the signal system improvement, and an estimated 1,275,336 gallons per week after the improvement: a reduction of 13.4% or 197,668 gallons per week as shown in Figure 2.2. At an average cost of $1.00/gal of fuel, this is a motorists cost savings of $197,668 per week.

The pollutant emission is determined at 4.33 gm/stop, and 0.281 gm/second for delay. The results of the analysis shown in Table 2.3, indicate that the pollutant emission per intersection is 5,262 lbs/week before the signal system improvement, and 4,013 lbs/wk after the improvement. Applied to 676 coordinated intersections this results in pollutant emissions of 3,557,112 lbs/wk before the improvement and 2,837,588 lbs/wk after the improvement as shown in Figure 2.3. This translates into a 20.2 percent reduction.

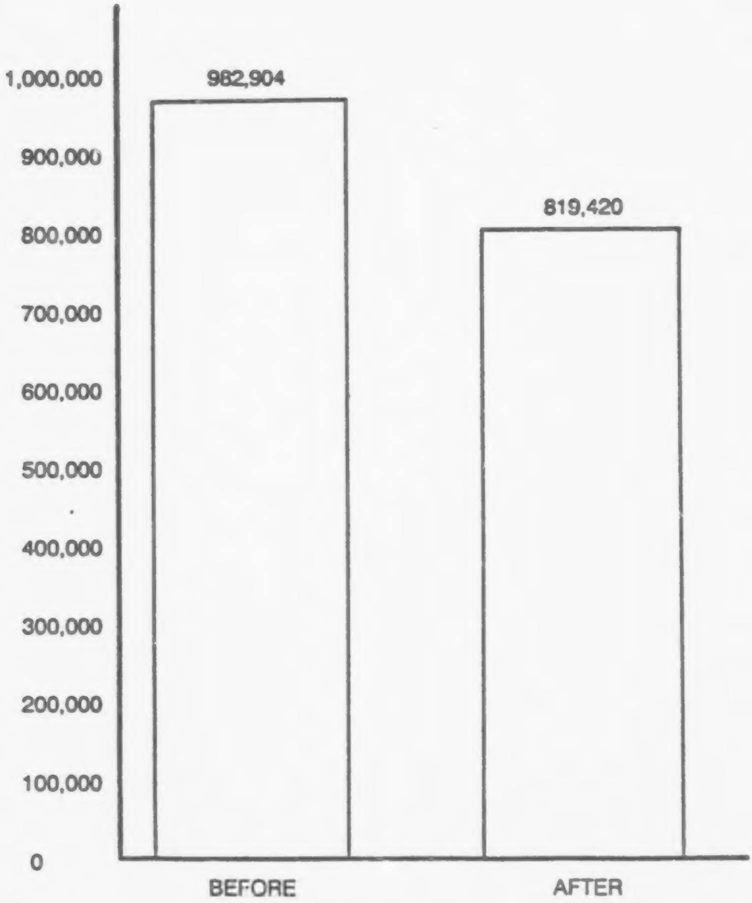


Figure 2.1 - Projected Improvements for Stops and delays at Coordinated Intersections (hours/week)

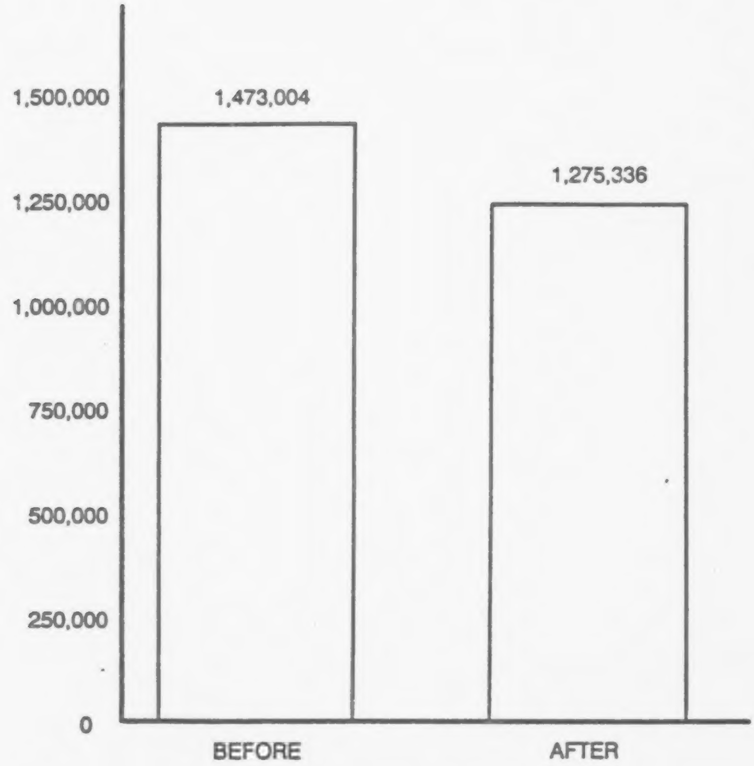


Figure 2.2 - Projected Improvements for Fuel Consumption at Coordinated Intersections (gals/week)

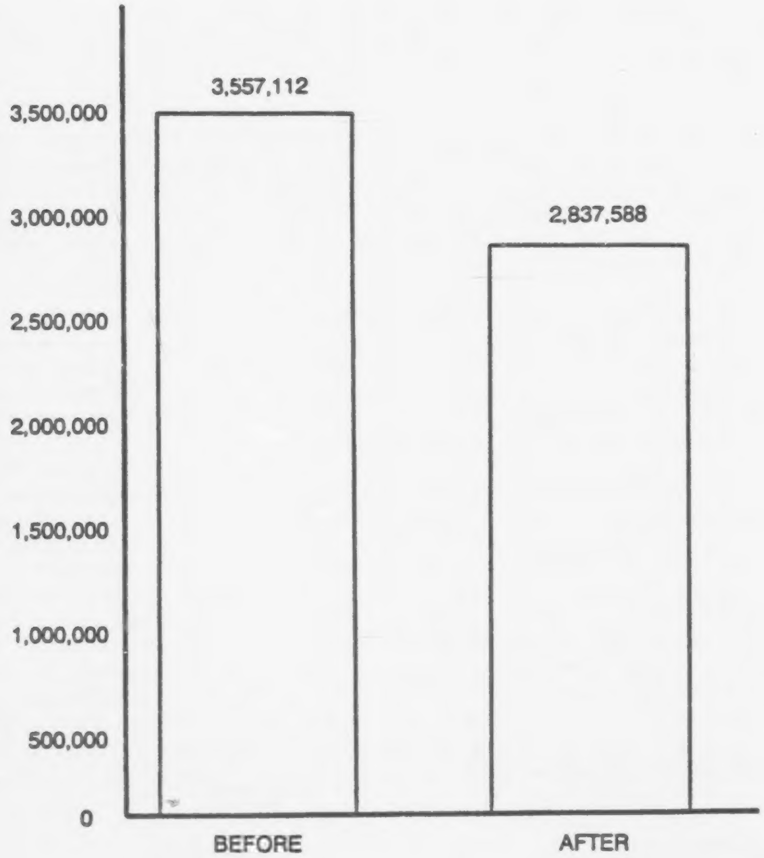


Figure 2.3 - Projected Improvements for Pollutant Emission at Coordinated Intersections

COST VS PAYBACK OF THE SYSTEM

The cost of the new system has been estimated at $38,489,000. This is the total cost of the central computer modernization and traffic signal modernization programs as shown in Table 1.1.

The payback of the system can be determined by using the vehicle cost savings. The estimated vehicle cost savings per year in the Piedmont Road and M.L.K. Drive studies was $1,467,000 and $115,000 respectively. These values were combined and divided by the number of intersections, to estimate a savings in vehicle operating costs per intersection per year of $60,846. This number was used for the 376 intersections currently coordinated but not in the central computer system.

However as stated earlier, the improvement benefits attained from coordinated signals currently under control of the central computer system would be two-thirds the benefits attained when intersections operating in independent systems are integrated into a new central system. Therefore, the vehicle cost savings per intersection per year for intersections currently under central computer control would be approximately $40,564.

The implementation plan outlined in Chapter 1 suggests that approximately 80 intersections are to be renovated and brought under central computer control. Using this implementation plan as a guide, the benefits per year were calculated and compared to the cost projections as shown in Table 1.1. The results of this analysis are shown graphically in Figure 2.4. This figure illustrates that the benefits to be accrued by the implementation of both programs are increasing at a exponential rate, surpassing in Year 2 the cost of these programs, which remain linear. The overall benefits of the system are projected to be $175,236,480 in vehicle cost saving over the ten year period that this project would span. This is a payback ratio regarding system cost of 4.6 to 1. This would also result in a savings of $136,747,480 to the motorists of the City of Atlanta over the next ten years.

CONCLUSION

The results clearly indicate that it would be beneficial to implement a new computerized traffic control system and upgrade the field hardware. One of the benefits that the motorist will receive is the decrease in travel time throughout the City of Atlanta. Additional systemwide benefits would include the reduction in

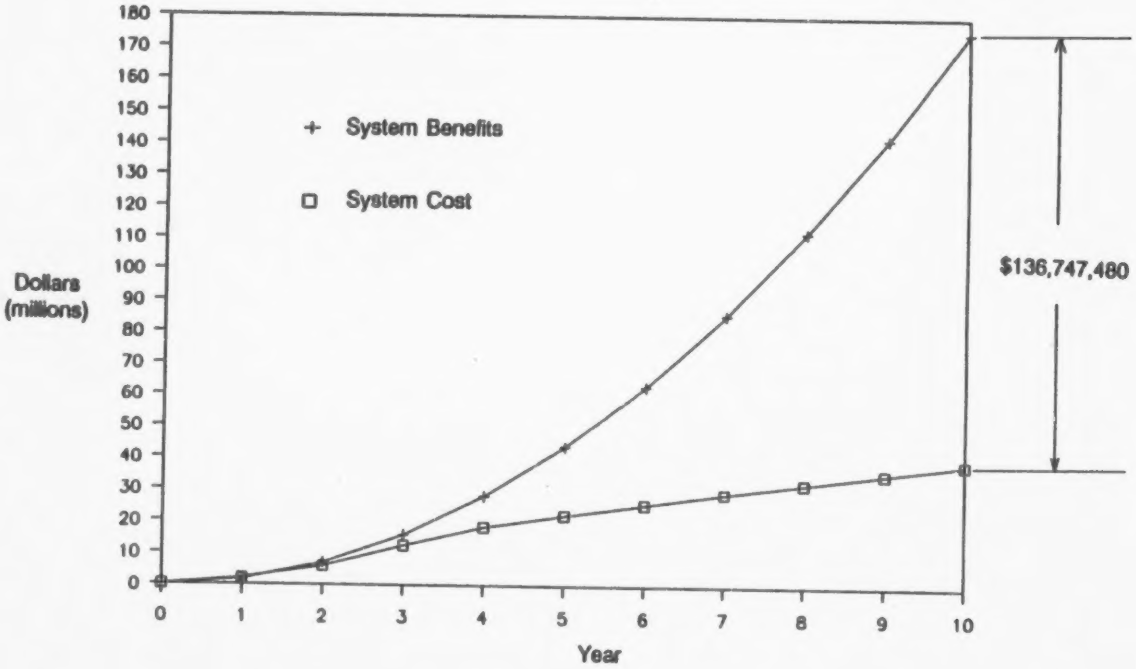


Figure 2.4 - System Cost vs. System Payback

emission pollution and fuel consumption. It is critical to note here that the federal government has determined that the City of Atlanta is classified as a non-attainment area with regard to environmental standards for emission pollution. Taken together these results make a strong case for the implementation of both programs.

GY
GRAY-
VAUCH
associates

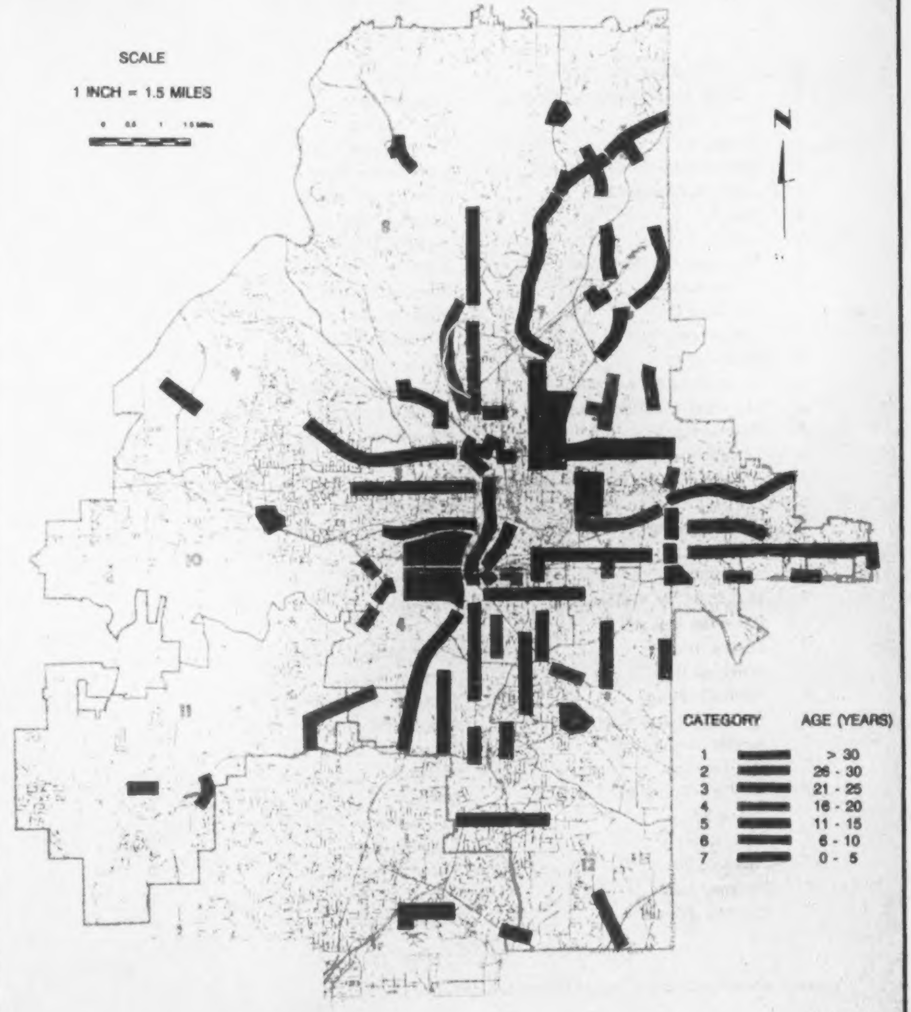
APPENDIX

SIGNAL SYSTEM CLASSIFICATION

Category	System	Limits of System	# INT	
0	CBD - Subarea Master	Downtown	28	
0	CBD - Subarea Master	Downtown	28	
0	CBD - Subarea Master	Downtown	22	
0	CBD - Subarea Master	Downtown	18	
0	CBD - Subarea Master	Downtown	32	
1	Peters St.	Fair/McDaniel	4	
1	Pryor Rd.	Ashwood/Lakewood	3	
1	Glenwood Ave.	Clifton/I-20	2	
1	Glenwood Ave.	East Lake/Second	2	
2	Moreland Ave./Euclid Ave.	Mansfield/McClendon	5	
2	Cascade Ave.	Beecher/Richland	2	
2	Campbellton Rd./De Lowe Dr.	Kenilworth/Lakewood Frwy	6	
2	Gordon St.	Inman/Ontario	2	
2	Edgewood Ave.	Hillard/Elizabeth	8	
2	Howell Mill Rd.	Marietta/Collier	10	
2	Simpson Rd.	Vine/West Lake	8	
2	Boulevard	Bryan/Glenwood	2	
2	McDaniel St.	Rockwell/University	4	
2	Monroe Dr./10th	8th/Amsterdam	8	
2	McDonough Blvd.	Jonesboro/Milton	3	
3	Cascade Ave./Gordon St.	White Ind/Donnelly	4	
3	N. Highland Ave.	Virginia/Morningside	3	
3	Stewart Ave.	Fair/Longston	4	
3	Bankhead Hwy.	Chestnut/Hollywood	10	
3	Marietta St.	Ponders/Bankhead	2	
3	Boulevard	Atlanta/McDonough	6	
3	Moreland Ave.	Custer/E. Confederate	3	
3	Cleveland Ave.	Old Hapeville/Browns Mill	3	
3	Campbellton Rd.	Barge/Ben Hill Sch	4	
3	Jonesboro Rd./Lakewood Ave.	Browns Mill/Claire	6	
4	Memorial Dr./Alston Dr.	Whitefoord/Candler	11	
4	Fulton St./Pryor St.	Windsor/Glenn	7	*
4	McDaniel St.	Whitehall/Glenn	4	*
4	Greenbriar Pkwy.	Fountainbleau/Campbellton	4	
4	Northside Dr.	Kennedy/Marietta	4	*
4	Northside Dr.	10th/I-75	6	*
4	Jonesboro Rd.	Poole Cr./Conley	4	
4	Boulevard Dr.	Whitefoord/Douglas	8	
4	Northside Dr.	Wells/Simpson	11	*
4	Georgia Ave.	Humphries/Grant Park	15	*
5	Stewart Ave.	Shelton/Atlanta Tech	7	*
5	Lenox Rd./Peachtree Rd.	Paces Ferry/Stratford	12	*
5	Peachtree St.	17th/Peachtree Ave.	28	*

Category	System	Limits of System	# INT	
5	Gordon/Ashby/Oak	West End	22	*
5	Auburn Ave./Boulevard	Hillard/Angier	20	
5	Tech Pkwy.	State/Ponders	2	
5	Northside Dr.	Collier/Arden	5	*
5	Peachtree Rd./Piedmont Rd.	Pharr/Tower Place	16	*
5	Ashby St/Lawton/Fair	Atlanta Univ. area	10	*
5	10th St.	Hemphill/State	3	
5	M.L.K. Jr. Dr.	Walnut/Chappell	14	*
5	Moreland Ave./Memorial Dr.	Arkwright/Flat Shoals	3	*
5	Dekalb Ave.	Moreland/Howard	8	
5	Memorial Dr.	Fraser/Stovall	15	*
5	Central Ave./I-75	I-75/Browns Mill	6	*
5	Capitol Ave.	Ormond/University	5	*
5	W. Marietta St./Ashby St.	Marietta/Sears Freight	5	
6	Moreland Ave./Flat Shoals	Faith/Glenwood	4	
6	Roswell Rd.	Habersham/Piedmont	3	
6	Moreland Ave.	Wylie/Caroline	3	
6	North Ave.	Luckie/Coca-Cola	3	
6	Lee St.	Lillian/Fort McPherson	15	
7	P'tree/Courtland/Ponce/North	7th/Linden/Boulevard	23	*
7	Techwood Dr.	M.L.K./Walker	3	*
7	Armour Dr.	Monroe/Buford	3	
7	M.L.K. Jr. Dr./Gordon St.	Westview/I-20	4	*
7	Cleveland Ave.	I-75/I-85	2	
7	Capitol Ave.	Fulton/Memorial	5	
7	Bankhead Hwy.	Harwell/Maynard	6	
7	Northside Pkwy.	Paces Ferry/Howell Mill	5	
7	Ponce de Leon Ave./North Ave.	Glen Iris/Moreland	17	*
7	Airport Loop Rd.	Virginia	8	
7	14th/Piedmont/7th/Peachtree	Midtown	15	*
7	W. P'tree/Spring/Rhodes/North	Midtown	29	*
7	Sylvan Rd.	Dill/Lakewood	5	
7	Pryor Rd.	Ridge/Thornton	6	
7	Piedmont Rd.	Monroe/Cheshire Bridge	5	*
7	Piedmont Rd.	Lakeshore/Wesley	9	*
7	Cheshire Bridge Rd.	Liddell/Buford	6	*

* System is already part of the Central Computer Control


SCALE
1 INCH = 1.5 MILES
0 0.5 1 1.5 Miles
N
8
10
11
12
CATEGORY
AGE (YEARS)
1 > 30
2 26 - 30
3 21 - 25
4 16 - 20
5 11 - 15
6 6 - 10
7 0 - 5

Signal System Age Classification Map

TESTIMONY
FOR
CONGRESSIONAL HEARING
U.S. HOUSE OF REPRESENTATIVES
PUBLIC WORKS AND TRANSPORTATION COMMITTEE

August 8, 1990

SUBMITTED BY: Ms. Odessa Pope Wheeler
2436 Abner Place, N.W.
Atlanta (Fulton County),
Georgia 30318

Atlanta City Hall
55 Trinity Ave., S.W.
Atlanta, GA 30335

SUBJECT: INFRASTRUCTURE as it relates to the Northwest communities of northwest Perry-Browntown, Scott Crossing, Riverside-Whittier, Bankhead Highway-Bolton Road surroundings.

Residing in the northwest community for the past 29 years, Proctor Creek, has been, and is the number one most pressing problem confronting these communities. Each year before and after the developement of community block grants for capital improvements, these communities have begged the city of Atlanta for treatment of the horrible ordor, and the overflowing of the creek (Proctor), along the Hollywood Road bridge and residential backyard washout Clarissa Drive, N.W. located in the 221 housing. Somedays you must completely close all windows if you are allergic, or to eat.

After the loss of lives, two from one family, (over three children), one was never recovered, the community still received no help. Proctor Creek and its territories, cross state and county lines. We know Maddox Park on Bankhead Highway is the beginning somewhere near or on the boundary of Southern Railroad branching off at different places until it reaches the Chattahoochee River which enters the Mississippi and terminates at the Gulf of Mexico.

Food plains, storm and sanitary sewars, streets, highways and bridges has not changed the characterization as it relates to a poor community after admission into the city limits in 1952.

Not only does the community suffer from a polluted creek, but more landfills per community in the City of Atlanta.

Respectfully submitted,

Ms. Odessa Pope Wheeler
August 6, 1990

PRESS RELEASE

I, Odessa Pope Wheeler do hereby publicly announce my candidacy for the 9th District Council Seat. I will do my best, to continue the same mode of work. I am going to better the quality of life in the N. W. Community, which has ong been the dumping ground for those things nobody wants health wise and other. I have long been asking that Grove Park Place be closed off because it has been used as a dumping ground, but have gotten little support from the city. There is a sense of hopelessness in the community, and if I am elected I will make a change in the area that the city can be proud of.

I can be an eight hour council person, my goals are those of economic development. Better pay, training and higher visibility of our Police Department. Crime against our senior citizens must be addressed, substandard housing must be eliminated for all our citizens. More occupational outlook for our young people who have strayed because of hopelessness, more and better ecreational outlets to keep in there own areas. Proctor Creek and it territories will be given priority if I am elected. I will support the state department of highways to create a Bankhead Highway corridor also Bolton Road, and James Jackson Parkway. The 13 acres of city property ocated in the Riverside Community, I shall request he city to help finance or build housing requested by the residents of that community.

I will not let you down, so help me God. Send me o City Council for one term I will make a DIFFERANCE.

I, Odessa Pope Wheeler, live in the northwest community for 28 years. My occupation is Community Activism and retired insurance combination agent for the North Carolina Mutual Life Insurance Company.

I am Odessa Pope Wheeler, the daughter of the late Tannis Lee and Mary Bell Pope, widow of Virgil Wheeler. My community involvement did not begin recently. During the life time of my father, who was one of the initial organizers of the bonus March to Washington, D.C. in the year 1932 to receive their bonus due from service in World War I. In 1933 he was appointed by M.A. Lienson from the State Capitol who was the director of Veteran Affairs for the State of Georgia, as a warrant officer to consult over veteran affairs for Widows and Orphans in the state of Georgia.

As a child volunteer I assisted him in his offices at 311 and 380 Auburn Ave., N.E., Atlanta, Georgia. After moving from the 4th ward community where I had lived all my life, I moved to the Northwest Perry-Browntown Community where I met Mr. Otelus Shelmon known "affectionately as the Mayor of Scott Crossing. I and other community people" assisted him in his day to day operation of the community which was run liken unto a city government, each volunteer had specific jobs to perform pertaining to the community. My job was that of field worker and sub-professional social worker.

After Mr. Shelmon's death I chartered the Otelus Shelmon Foundation with two other persons. I have continued to devote my time as a community volunteer. I am frequently contacted by members of my community, government and private organizations to assist them with problems or make referrals. WAOK Council of Women, Economic Opportunity Atlanta, Federation of Southern Cooperatives. Historical Preservation and the Minority Community Southeast Region National Historical site and Preservation for the Martin Luther King Historical district. Community representive for the proposed and now Atlanta Industrial Park. Initial organizer along with other community residents to form Northwest Grady Satellite Clinic. Community task force Representative for the proposed additional runway for Fulton County Airport (Brown Field).

Patron radio station WRFG, participant victim Witness Assistance Program and Partnership Against Crime Lasion person for the community. The Young Adult Guidance Center, Inc. is one of three incorporates to house homeless young males ages 16-21 non-sectarian and non-racial that I am affiliated with in the community. I was sent to Washington D.C. to represent Atlanta in the Solidarity March in 1981. I have worked with students from Georgia State, Georgia Tech and Emory University in the area of Antropology, Community Developement, and medical student for better delivery of Health Care. I was instrumental in training the first Vista Volunteers in the Atlanta area for Volunteer Service to America. Help to develope young people reprsentation in community Northwest Perry Poverty Program, and continue to enhance and inspire young people to participate in leadership roles in our community. As a volunteer I developed several organizations which was funded by the government while involved with the Poverty Program. Appointed by the Mayor to the Solid Waste and Recyling Advisory Committee and the Urban Homestead Application Review Board.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

WEDNESDAY, AUGUST 8, 1990

House of Representatives,
Committee on Public Works and Transportation,
Conyers, GA.

The committee met, pursuant to call, at 2:10 p.m., in the Superior Courtroom, room 214, Rockdale County Courthouse, Conyers, Georgia, Hon. Glenn Anderson (chairman of the committee) presiding.

Present: Representatives Anderson and Jones.

The **Chairman**. The meeting will come to order.

Good afternoon. The Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. It is my pleasure to welcome you here today and to thank you for taking time from your busy schedules to share with us your concerns, knowledge and perspectives on this important subject.

For several months now, our committee has been examining many aspects of the infrastructure issue, seeking a better understanding about our Nation's public works crisis. We have explored emerging infrastructure needs from the national perspective and reviewed the impact of infrastructure on private sector investment and on productivity, growth and the ability of the United States to compete in international markets. We plan also to look at infrastructure financing alternatives and new technologies.

It is important, however, that we understand what kinds of infrastructure problems are being experienced at the state and local levels. So, we have embarked on a series of hearings at various sites around the Nation to talk about the inadequacies of existing public facilities with people most directly involved, and to get a broad range of ideas and suggestions that can help to resolve some of the problems. Earlier this month, we met in St. Clairsville and Youngstown, Ohio. Monday of this week, we were in Lafayette, Louisiana, yesterday in Victoria and Fort Worth, Texas, this morning in Atlanta, and hearings are planned for other areas of the country as well.

I must compliment the citizens of this area for sending Ben Jones to the Congress. We are grateful that he chose the Committee on Public Works and Transportation. When Ben came to our committee, he quickly developed a reputation for his preparedness and being well informed on the issues, and for his independence of mind. He has, in my view, become a most effective member of our committee. He quickly made known to us the importance of the water issues to his district; the vital necessity of water supply for this region as well as the need for wastewater treatment facilities. He has also brought home to us that Atlanta is one of the most important transportation hubs of the Nation. With its three interstate highways and its international airport, which is one of the largest passenger terminals in the world, Ben certainly chose the right Committee.

When we speak about infrastructure, we are speaking about the very cornerstone of our cities and rural communities. Inadequate infrastructure weakens our economic foundations, threatens the health and safety of us all and jeopardizes our future standard of living and the quality of life we have come to enjoy.

When addressing the importance of infrastructure, we should note that recent economic research shows a link between the level of public investment in the Nation's infrastructure and productivity and profitability in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960's to less than 1 percent, or 0.7 percent, in the early 1980's, while during the same period the annual growth rate of spending for infrastructure fell from 4.5 percent to 0.8 percent. Productivity in our country is growing much more slowly than in other developed Nations such as Japan, West Germany, Canada, France, Italy and the United Kingdom—our economic competitors—some of which invest almost five times as much on their public works as does the United States. We, in fact, rank 55th in the world in infrastructure investment, and that is pretty shocking.

All evidence reflects that our 20 plus years of under-investment in public works spending at all levels of government have caught up with us and we are seeing a wide-ranging and serious problem.

It is time to do something about it. Last week I introduced a concurrent resolution, which was co-sponsored by Mr. Jones and many of my colleagues, expressing the sense of Congress that 1991 should be the rebuild America year. It calls for the President and the Congress to work toward establishing a comprehensive national policy to rebuild the infrastructure of the United States. We must recognize that the condition of our infrastructure is one of the Nation's most important issues and it must be given a much higher priority. The longer we wait, the more harm we do to our economy and the more costly our catch-up of the job will be.

Meantime, we are continuing our inquiry and look to you to help us gain further insight into infrastructure needs. Our question today is: What is the condition of the infrastructure in Georgia, particularly this region of the state? Is your network of public facilities—your roads, your bridges, public buildings, airports, sewers, wastewater treatment plants, water treatment and supply facilities and other basic services—adequate to meet the current and anticipated needs of the area?

Who do you think should pay for the necessary public works and what financing techniques have you considered? What do you think the federal role should be? The state role? The local role? And what should our committee be doing to resolve some of these problems?

We look forward to your answers and to any questions that you may raise.

Now I think we might start off with Congressman Jones for any opening remarks he might have.

Mr. JONES. Thank you, Mr. Chairman. I do have an opening statement.

First of all, I want to thank you on behalf of the people of the fourth district, for holding this field hearing here in Conyers to gather information about our infrastructure needs. I commend the work that you have done as Chairman of the Public Works Committee to establish the link between infrastructure and economic productivity, and the necessity of reinvesting in our Nation's infrastructure after a decade of neglect.

We here have a first-hand appreciation of the link between infrastructure and productivity and the necessity for a strong investment in our public works.

During the last decade, the fourth district, and the Atlanta region have experienced rapid growth. Between 1980 and 1989, the 8-county Atlanta region added 549,000 people and 461,000 jobs. One of the highest rates of growth was here in Rockdale County, whose population increased 49 percent over the last nine years. The north Fulton area also had explosive growth over the last decade and is adding an average 8,114 new residents a year. And since 1985, De Kalb County has added 10,600 new residents. These high rates of growth are projected to accelerate over the next few years, and we can expect a near doubling of population by the year 2010.

To assure our continued economic development, we must effectively address our basic needs for infrastructure so that it serves our anticipated demands for highway and transit travel, waste supply, waste disposal and wastewater treatment while simultaneously protecting our environment and natural resources.

Alabama's recent suit against the United States Army Corps of Engineers over planned water withdrawals from the Chattahoochee River for our region, and the water restrictions caused by the summer drought, have made it clear that our number one priority is an adequate water supply for our projected growth. Without water, and the facilities to treat it, our growth will simply stop. This would have a most severe economic impact for our District, the region and the southeast. Both Rockdale and Newton Counties are planning to meet anticipated water demands with the construction of county water reservoirs financed by a local sales tax. Later today, we plan a tour of the Newton County water reservoir so that you can see first-hand, Mr. Chairman, the outstanding job that county has done. During the hearing today, we will learn more about our projected demands for water and sewage facilities, and how we can help meet those needs.

Adequate water resources for the Fourth District has been a special concern of mine and I am very pleased that our Subcommittee on Water Resources will hold a field hearing on September 28 to learn more about our vital water supply issues. And that hearing will be held in the Manuel Maloof Center in De Kalb County.

Mr. Chairman, I am also concerned with developing alternative modes to highway travel for our region. Our rapid growth has led to ever-increasing demands on our transportation system and traffic congestion has become more of a regular occurrence on our over-burdened highways. I am one who believes that we must look to rail transit as a supplement to our highway system, so we have invited a special rail panel today so we can learn more about the possibilities of commuter and inter-city rail for our transit needs and I look forward to their testimony.

Mr. Chairman, I wanted to hold these hearings in Conyers today because Rockdale County has shown leadership in dealing with the problems of the future. We have an opportunity in Rockdale to plan for the future, to set forth a vision which will protect and enhance the quality of life and environment by planning and investing now in our roads, bridges, water supply facilities, wastewater treatment plants and other public works facilities. My hope is that this hearing will help serve as a blueprint for that future and begin a state, local and federal partnership that will build the kind of community we want to pass on to our children and our children's children.

As many of you know, I am opposed to the Presidential Parkway as designed, and this is an area where I disagree with state transportation officials. The design of the Presidential Parkway is destructive to the intown neighborhoods, and I think would be better served by alternatives. The only road design I would support is a very limited access to the Jimmy Carter Presidential Library.

In closing, Mr. Chairman, I want to thank the people of Rockdale County for graciously agreeing to host this hearing and I want to thank everyone here for attending and to thank our witnesses for the time that they have given us today.

The CHAIRMAN. I want to thank you.

Unfortunately, we are on a tight schedule and we must wind up this session as close to 4 p.m., as possible.

Because there are so many of you who have been willing to participate in this hearing and because of the time constraints, I am going to ask that you summarize your statements in hopefully no more than 2 or 3 minutes. That should leave us some time for questions. I want to assure you that your written statements will be printed in their entirety in the record of this hearing.

Also I note that witnesses are on panels, and I would suggest that with each panel we hold our questions until each panelist has made an oral statement. Because of the number of witnesses testifying, it may be difficult to ask questions of each individual. Some questions may be general and I will leave it up to the panel members to decide who will respond. Please be as brief as possible.

Now I am going to call our first panel of witnesses. They are: Mr. Harry West, Executive Director of the Atlanta Regional Commission, and the Honorable Hal Rives, Commissioner, Georgia Department of Transportation, both of whom were also with us this morning.

Mr. West, will you open it up then and then Mr. Rives. Then we will ask you questions.

TESTIMONY OF HARRY WEST, EXECUTIVE DIRECTOR, ATLANTA REGIONAL COMMISSION AND HAL RIVES, COMMISSIONER, GEORGIA DEPARTMENT OF TRANSPORTATION

Mr. WEST. Mr. Chairman, thank you. I am Harry West. I appreciate the opportunity to be with you today and to share some information with you. And it is always nice to be with Mr. Jones, who is my own personal Congressman.

As he indicated earlier, the Atlanta region has been growing at a rather rapid pace over the last few years and it is projected to continue that growth into the next decade as well as the next century, reaching some 3.7 million people in the year 2010.

More people will drink more water, drive more cars, will throw away more garbage. Simply speaking, we have got our work cut out for us as we move to try to meet these infrastructure demands.

VOICE. Mr. Chairman, we are having difficulty hearing the witness. Could he speak up loudly?

Mr. WEST. Those projections for the future will be met provided we can solve what we consider to be our number one infrastructure problem today, and that is water supply. As Mr. Jones indicated, it is a concern with the region, and if we do not answer those questions fairly soon, we can reduce the expected growth that we have projected in the region by about 80 percent after 1995.

In other words, without an adequate water supply, the Atlanta region may lose more than 800,000 people, 500,000 jobs that are forecast to come here between 1995 and 2010, under normal conditions.

Yes, water is the most critical issue facing the region, and yes, we need your help, in any way you can—reallocation of a portion of the storage at Lake Lanier has been the suggested way of meeting our initial needs to the year 2010, which will then—our needs beyond that point will be met by the construction of a number of regional reservoirs, such as you are going to be able to see this afternoon. But to get us to 2010, we have got to have a better way to manage the water that is present and usable in the Lake Lanier-Chattahoochee River system. We are not asking to divert the water as some in Alabama have suggested, we only ask to be able to use it, clean it up and put it back into the river so that other people downstream can use it.

But we also have other problems, and one of those is wastewater cleanup that I just mentioned. We have got to be in a position to clean up the water after we use it. With the assistance of the Corps of Engineers in a project that was authorized by the Congress in the early 1970's, we did what was known as the Metropolitan Atlanta Water Resources Study, and a party of that study included a comprehensive wastewater treatment plan for the region. It is now out of date, it needs to be updated. We are attempting to do that but it is very expensive to do, and we ask for your assistance, as has been pointed out by the Committee's work on the Water Resources bill that would ask the Corps of Engineers to look at the studies and what would be necessary to bring it up to date within a year. And once that is accomplished, we hope that you would move further and bring that study—help us bring that study up to date.

We are doing some things on our own; banning phosphate detergents, meeting higher treatment standards and other things, but it is going to take all of us working together.

I do not want to spend all of my time on water and wastewater though, even though Mr. Rives is sitting here, transportation is certainly a major infrastructure need of the region. Thanks to the Georgia Department of Transportation, we are well ahead of the game. With the reconstruction of our freeway system, both the radial system and the perimeter, we have been able to get ahead and without their leadership and their commitment to that process, it could never have been done. But we are going to have more needs in the future. We are going to need to continue to expand our rapid transit system as well as our highways and probably the most important transportation issue that we will have in front of us in the next few years is the construction of another air carrier airport that will supplement what we have now at Hartsfield International.

There are many other infrastructure questions that we could talk about, such as adequate housing supply and other things, solid waste disposal, but I will not keep going on and on. I will tell you once again that water is our biggest concern at the moment.

Thank you, sir.

The CHAIRMAN. Water and another airport, huh?

Mr. WEST. Yes, sir.

The CHAIRMAN. Commissioner Hal Rives of the Georgia Department of Transportation.

[The prepared statement of Mr. West appears on p. 1321.]

Mr. RIVES. Thank you, Mr. Chairman, for hearing me again, and you too, Mr. Jones. I am pleased to say that I live and vote in your District.

In the last two decades, Georgia has generally out-performed the Nation in rates of population, economic and personal income growth. We are attracting more foreign investment and we have an excellent chance to host the 1996 Olympics.

But we need things and we do not come empty-handed. We need greater mobility, we need to aggressively attack recurring urban congestion and we have done that to a certain extent already in Atlanta, but we cannot let it rest there, or else it will go away.

We need to bring our rural areas out of decades of economic isolation from poor transportation facilities, and we need to replace what we call modal rigidity with flexibility and greater consumer choice. I speak highly about MARTA every place I go to speak in the Atlanta metro area, I speak to the fact that MARTA is, as we go more and more into the next century, MARTA is going to become the predominant and the most important I think factor in transportation in the Atlanta metropolitan area. We need to work harder to reduce accidents and fatalities, and we are. This past year, we have achieved the lowest fatality rate overall that we have ever had, 2.03 per 100 million vehicle miles, and that is on every class of system all lumped into one. And we need to make research and technological innovation a real part of our transportation program.

We believe in maintenance. In many ways, I have a hard time with respect to the state highway system talking about our crumbling infrastructure, because ours is not crumbling. It is not crumbling because our Transportation Board many years ago, back in 1975, instructed us to maintain first and build new facilities second. And we have done that. Consequently we are short—our big shortage, not in terms of fixing up what we have on our state highway system, but adding more lane power to that state highway system because we have not done that over the years. In years of short funds, we have maintained what we had and let the additional capacity wait. We deferred capacity rather than deferring maintenance, and I think we were right to do it.

Even that has become more and more of a problem because in the past four years we have had a very aggressive program of four-laning throughout the state. We are doubling our lane miles without changing our center line miles and because of costs going up and revenue not going up, we have not been able to keep our maintenance program up to the standards that we would have liked to have kept it up to. Something has to happen with respect to that.

Now Rockdale County where we are meeting this afternoon, we think presents a very good example of a county that is on the verge or on the edge—it is right now split between rural and urban because it is right on the edge of the big expansion from the Atlanta metropolitan area. Rockdale County has needs, and we are working with Rockdale County to address those needs. We, working with them, made a special transportation study of the Rockdale County area and we have done this with others—I am using them as an example since we are here today.

We made a transportation study of the Rockdale County area and Conyers area, and from that, working with the local governments, the mayors and the county commissioners, we have programmed a series of projects that we hope will solve some of the problems, the problems that we can solve, over the next 4 or 5 years. That takes money and we are looking forward the the new reauthorization act to help provide some of those monies. Money is the fuel that makes the transportation engine run by providing for transportation and providing for the maintenance of what we have.

I will not go into details on what we have or what we are planning on doing, it is in the report. But let me say this—let me speak now to the new reauthorization bill that will have to come up. There are several things we would like to see in the reauthorization bill.

One thing you mentioned this morning, Mr. Chairman, about the impoundment of funds through the obligation authority process to offset the deficit. Georgia has $250 million in that category of impounded funds and we would sure like to have the obligation authority to start spending that $250 million. We have projects ready to go if we could spend it. If we get into a little bit of a recession and you want to prime the pump, that is an awfully good way to do it. You give us that $250 million and we will have it spent and working within 6 months, I guarantee you.

We believe the new reauthorization legislation should correct what we see as some inequities in the 85 percent minimum allocation program. We think that was fine for the big western states that have lots of mileage on the interstates and very little people and not a lot of money, while they were building the interstate system. We think it is fine to continue to help them to maintain and keep up and operate that interstate system, a system of national significance, but we do not think that we should continue to subsidize their local road programs. And so we suggest that a floor of 90 or 92.5 percent, something like that, would be more equitable now that the interstate system is essentially complete.

We also hope that in the reauthorization we can—that you can reach up to the AASHTO recommendations with respect to the levels of funds, which is $17.6 billion in fiscal year 1992 to $25.9 billion in fiscal year 1995. We would also like to see you raise the transit capital funding from $3.2 to $5 billion in the same period.

We also need money to acquire rail. For example, there is 30 miles of abandoned rail lines, it starts in Atlanta and leads to the northwest out to the area that is so heavily developed. CSX has abandoned it and they are holding it for us to buy next year if we can find the money, for $7.1 million. One day—it is an investment in the future—that will be commuter rail line coming into the Atlanta area from the northwest. And there are others like that around the state and we need some help in being able to purchase those as a future investment.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. I have two questions. My first is how do you see the financial burden being shared by the Federal, State and local governments? I know you answered that a little bit, but is there any more—any simpler formula or anything that you could devise?

Mr. RIVES. I think it should be shared fairly equally.

The CHAIRMAN. Between the three?

Mr. RIVES. No.

The CHAIRMAN. I said Federal, State and local.

Mr. RIVES. No, I cannot speak for the locals. Except for some of the major urban areas, the local governments generally in Georgia have not had too much money to put into transportation. If they had to share one-third/one-third/one-third, there would be many local governments that would be even more transportation destitute than they are today.

We have a fairly heavy program of aid to local governments, about $100 million a year. I do not want to see the Federal share diminished. Now I do not mind keeping the Federal program share level and perhaps changing some matching ratios around, but I do not want to see the Federal share diminished. I think that the Federal program needs to expand just like the state program, and most state programs have raised their taxes going into the state program over the past several years and the Federal Government has diminished theirs.

The CHAIRMAN. Well are you satisfied with the Federal formulas in existing public works legislation such as highways, airports, mass transit, et cetera? Maybe that would include both of you.

Mr. RIVES. Let me answer first—I am except I think it is time to declare the interstate to be completed and then—with some money left over to finish up projects, and then that could cause a redistribution of the money through different formulas.

The CHAIRMAN. Harry.

Mr. WEST. I do not have anything to add to that.

The CHAIRMAN. Nothing to add to it at all—to either question. OK. Then, Congressman Jones.

Mr. JONES. Thank you, Mr. Chairman, I wanted to reiterate we had hearings this morning in the fifth district and we touched on some of these subjects but I would like to revisit that slightly, and you touched on it also, which is the use of the highway trust fund, the airport trust fund. These are enormous funds, I think there is something like $19 billion in the highway trust fund.

Mr. RIVES. And $8 billion in the airport trust fund.

Mr. JONES. $7 to $8 billion in the airport trust fund. These funds are being used basically to offset the real extent of the national deficits that we have.

Mr. RIVES. Yes, sir.

Mr. JONES. And that is a sham and it was not the intention of these funds and that should be changed. As you know, I have cosigned some legislation which would take the highway trust fund off budget.

But for the record, I wonder if you would, Mr. Commissioner, tell us what share of what we pay in do we get back.

Mr. RIVES. Right now, Georgia is getting back 71 percent of what we pay in, we get back 71 cents on the dollar.

Mr. JONES. Thank you. I think that speaks for itself.

We talked also this morning, Harry, about—you know, I think there is general agreement that at a certain point in time, if we continue to grow, we are going to need a second airport. There is no disagreement about that. There is some disagreement about where it should be, what the best location for it would be. My understanding is this, that we will reach projected capacity, at Hartsfield shortly after the year 2000, in ten years. So it seems to me and I wonder if you could just give your feelings on this and the position of the ARC, that if we are going to—that there is a window of opportunity here to begin groundwork on a second airport, because it is going to take some years to construct such an airport. When will that be? How long can we wait before we begin construction, without losing the expansion capabilities, the economic growth that comes with that?

Mr. WEST. Well the study that was completed last year by the Atlanta Regional Commission, the first phase of our second airport study, concluded that we needed to move immediately to install the newer higher technological landing control operations at Hartsfield, the new technology that is available that would allow the air traffic controllers to handle larger volumes of airplanes in shorter spaces of time and distance.

And secondly, that we should move immediately to construct a commuter runway at Hartsfield that would take the small commuter planes that are slow in their landings off of the major runways to allow the jets more frequent use of the existing larger runways.

And if we do those two things, move ahead now, then we will have bought ourselves enough time by expanding the capacity of Hartsfield, to allow for the construction of a second airport. All of these things have to fit together.

We are now in the process of assessing general site locations. There are six different locations being considered now and hopefully by the end of this year, we will have analyzed all of those and provided the results of that analysis to decisionmakers, who can then decide where we ought to go, and get on about building that second airport.

Mr. JONES. Thank you. I know our time is short, we have got a lot of people waiting. I would love to talk more about water, but we are going to be able to do that in late September, in detail. I think we need to demythologize some of the rumors that have been put out about reallocation of Lake Lanier, which is something we simply have to have to continue to grow, and I think that—I want to touch on one other thing, Mr. Chairman.

Recently I had one of the great trips of my life, it was a train trip from here in Conyers to the World Congress Center on the New Georgia Railroad. It was just a beautiful trip, this is, as you know, the old Georgia line out here that was used as a passenger route for many years from Atlanta to Augusta. You touched on the state buying abandoned rail lines and this is being done in many states. I think North Carolina is one of the states that has taken a lead in this, and I just want to applaud that and I think it is something that we need to sort of prioritize and I think we can encourage that in state government. We certainly want to work with you on the Federal level in whatever way we can, because as you know—and you know better than anybody how we have about maxed out in terms of certain highways and we are going to have to start using these rail corridors. I think the rule of thumb is—I forget exactly—but one line of rail is worth how many lanes of traffic.

Mr. RIVES. If you can get people on it.

Mr. JONES. And necessity is the mother of invention.

Mr. RIVES. Right.

Mr. JONES. As we have seen in this past week when the price of oil skyrockets as it has, people were quite willing to hop on MARTA, it is a nicer ride, or hop on a train from here into town. It saves wear and tear on their car, it is a nice way to travel.

I thank you all so much. Thank you, Mr. Chairman.

Mr. RIVES. Thank you for having us.

The CHAIRMAN. Thank you.

Our next panel consists of county commissioners. They are Randolph W. Poynter, Chairman of the Rockdale County Board of Commissioners and Mr. Roy L. Varner, Chairman of the Newton County Board of Commissioners.

Mr. Varner, you are first.

TESTIMONY OF ROY L. VARNER, CHAIRMAN OF NEWTON COUNTY BOARD OF COMMISSIONERS AND RANDOLPH W. POYNTER, CHAIRMAN, ROCKDALE COUNTY BOARD OF COMMISSIONERS

Mr. VARNER. Thank you very much. First of all, down in Newton County and Covington, we try to do things cooperatively and today we have with us the City Manager of the City of Covington, Mr. Frank Turner and I would like for Frank to stand up so everybody will know part of our team because it takes everybody down our way. You will meet our representative to the legislature a little bit later, but all these members of the legislature are mine because they are the ones I am going to be coming to for the needs we cannot get from Washington.

First of all, let me thank you for the opportunity to address you today concerning infrastructure. It is comforting for us in local government to know that our officials in Washington are concerned about the needs. Since I first spoke with Mr. John Ahmann of Congressman Ben Jones' office last week, I discussed with several community officials, including representatives of our municipalities, schools and local hospitals and health care providers. Community consensus seems to indicate major interest in several areas and I would like to take some time at this point to briefly mention these areas.

I am sure that most of the major areas are obvious. The first is the area of water, sewer and wastewater treatment needs. This would include improvements to and extensions of water and sewer lines, the construction of primary and secondary treatment facilities and the development of appropriate tertiary treatment facilities, including land application where feasible.

The second is in the area of transportation system needs. And I think Mr. Rives more or less covered that very adequately. But I would like to point out I think that we have got the greatest Department of Transportation in the United States, as far as cooperation and communication with our local governments.

Other areas of local interest include solid waste issues, education and facilities needs. Major solid waste concerns in the areas of solid waste regulations (Subtitle D made us all turn gray-headed and a lot of us lost it, but we will survive it) and in the utilization of the new solid waste handling technologies. Facilities needs would include schools, health care facilities, recreation areas, libraries and other public facilities.

There is also one interest which encompasses all the above concerns. That is the area of funding. Obviously, all the needs I have mentioned require capital outlay, some quite extensive. We are very appreciative of the funding which has been made available to local governments at the Federal and State level. I understand there are some funds available for airport projects such as the one mentioned earlier. Federal and State education grants have also been utilized quite extensively at the local level. In other areas, however, these grant funds have been quite limited.

There are several options which are available to governments for use in funding capital projects at a local level, and we in the Newton County community have utilized these options. However, it is my opinion that some of the most significant assistance which could be offered by the Congress at this time would be the implementation of a reasonable system of assisting governments with funding and financing of local capital needs.

Most of my counterparts and associates in local government understand that budgetary restraints make grant programs difficult. We do not expect large increases in these grants over the next few years. However, we would be pleased with some type of reasonable loan program, which might offer competitive rates and attractive repayment options. I would personally feel that such a program would be the most significant step the Federal and State government could take at this time to aid in the financing of local capital projects.

In closing, I would like to address one other concern about which we in local government feel strongly. That is in the area of Federal mandates. Specifically, there have been several pieces of environmental legislation which have been adopted over the past few years, such as clean air and water acts. But let me state at this point that I am certainly committed to protecting our environment. It is obviously in the best interest of all citizens of the community to assure that our environment is not harmed.

However, most of this legislation has tremendously stiffened the rules and regulations to which local governments must adhere without providing a source of funding of financing of the increased costs associated with their implementation. Our experience has also been that there is some unnecessary duplication, and in some cases even apparent contradiction in the regulatory phase among the agencies empowered to enforce these rules and regulations. I would also like to express my opinion that these rules and regulations should, as much as possible, be written in layman's language since we at the local level are primarily charged with their onsite implementation.

Undoubtedly local government is indeed where the rubber meets the road. We experience, on a day-to-day basis, the interaction of the constituency with their government. One of the major things my tenure as Chairman of the Newton County Board of Commissioners has taught me is that, no matter what the issue, our goals can only be accomplished through a joint effort of Federal, State and local governments, and with the consent of the constituency. These goals must motivate realization and rationalization in the mind of the constituents in order to be carried out. For it is true that ultimately the constituency does set the agenda.

It has been my sincere pleasure to have the opportunity to address you today.

The CHAIRMAN. Mr. Poynter.

Mr. POYNTER. Chairman Anderson, Congressman Jones, it is with a great deal of pleasure that I welcome you to Rockdale County, Georgia. It is not every day that we are able to witness right here at home the operations of our Congress. I am deeply grateful that you have taken the time to come to Rockdale County and to listen to what we, as elected officials, as private citizens, and most importantly, as Americans, have to say to you.

The infrastructure problems and concerns here are great, as in the rest of the nation. I know that you gentlemen and the complete Committee have a very difficult task in trying to determine what needs to be done to effectively and efficiently meet the requirements of our nation. Today, I am not going into detail about the concerns I have for our area, that will follow in written form.

Mr. Harry West from the Atlanta Regional Commission and our very knowledgeable Commissioner, Mr. Hal Rives, from the Georgia Department of Transportation have already done that. They have expressed to you exactly what needs to be done in the metropolitan area. I know that you will take into serious consideration what they have said and what other witnesses after me will say.

I want to once again thank you for coming to Rockdale County and for allowing us, as citizens, to speak to you on a one-on-one personal level. I look forward with great anticipation to the hearings today and I want you to know that we are counting on each of you to do what is right for our nation.

Thank you.

The CHAIRMAN. Well thank you.

Looking at the infrastructure problem from the local perspective, can you give us some idea of what steps you expect to take to meet your particular needs and what kind of help you expect from the state and the federal government?

Mr. POYNTER. How long a list do you want?

The CHAIRMAN. I have got some paper, I will write it down. [Laughter.]

Mr. POYNTER. All right. Right now we are in the process of doing a comprehensive land use plan for Rockdale County. The ARC, DCA, and other agencies are helping us. That has been an ongoing project for about a year. Rockdale County is going to be the prototype for the Atlanta metro area. We hope to adopt that sometime in the spring of next year. We do not need any help on that right now but we will in the future I am sure, as far as implementing and getting some of the things going on.

Water is the major concern for us down here right now. We have initiated a one percent local option sales tax to raise $8.8 million. As a matter of fact, in about an hour, I have a meeting downstairs with the impoundment authority and we are going to be discussing just that. I do not know if you listened to all the horror stories about what happened to the EPA and the Army Corps of Engineers—I understand we have got an interesting couple of months ahead of us and we might be needing some help on that, I do not know.

After that sales tax expires on that and pays for the funding on that reservoir, we have every hope of imposing or asking the voters to vote in another one percent sales tax for road improvements. You folks are helping us right now on the interchanges, as far as federal dollars go, we need to see that speeded up, if possible. The DOT is doing a great job, I cannot commend them enough. They are doing as much for us as we could ask, but I guess we always want more.

Rockdale County is going to be one of the fastest growing counties in the state and they expect us to double our population in the next 10 to 15 years. As a matter of fact, now that Commissioner Rives is here, I told him that we have a Tom Moreland Interchange, we would like to see some work down in Rockdale County and make it the Hal Rives Interchange, if possible. [Laughter.]

Those are a couple of the needs that are extremely important to us right now. Roads and the interchanges and the water.

The CHAIRMAN. What kind of water?

Mr. POYNTER. We are going to build a 685 acre—we hope to build a 685 acre reservoir. It will provide about 24 million gallons of water a day, it should take us to the year 2030 or 2040.

The CHAIRMAN. A 685 acre reservoir.

Mr. POYNTER. Yes, sir.

The CHAIRMAN. And you will use that for basically what, for irrigation or for servicing cities or what?

Mr. POYNTER. Okay, in Rockdale County, the City of Conyers processes, buys, sells, supplies the water. The county is going to build the reservoir and the city will process the water and supply it to the citizens. It will be a drinking water lake, is what it will be for.

The CHAIRMAN. Ben, do you have something?

Mr. JONES. Yes, I do. I wanted, Mr. Chairman, to follow through on that and I want to compliment you, Commissioner Poynter—Randy—for taking the lead on this thing, and Mr. Roy, I would like for you also to talk about the reservoir in Newton County and this experience because I think it is a prototype.

We are going to, as you know, need every drop of that water and you have shown vision here and gone out and gotten the support of the people to go ahead and do this rather than wait for somebody else to do it at some other level of government.

I was just curious about some of the details on it, because I do think it is something that every county in Georgia probably needs to start considering. I know that part of our Growth Strategies Commission was a series of regional reservoirs, but that is somewhere off in the future too and what we are dealing with now is a reality that people have committed to with their votes.

Of the 8.8 million, how long is it projected before that will be paid off?

Mr. POYNTER. The sales tax started in April and we expect it to take anywhere from 18 to 24 months, although the tax is legally geared to go for 36 months.

Mr. JONES. It will be sunsetted after 36 months?

Mr. POYNTER. Yes, sir, or 8.8 million, whichever comes first.

Mr. JONES. What creek does that come off of, what river?

Mr. POYNTER. That would be the Big Haynes Creek.

Mr. JONES. Off the Big Haynes.

Mr. POYNTER. Yes, sir.

Mr. JONES. And later today, we are going to visit the reservoir in Newton County, which also touches into Walton, and Mr. Roy, I wonder if you would tell us about how that started and how—you know, what the future of that is, how long it is going to serve us, how many folks.

Mr. VARNER. Thank you, Congressman Jones. It would take a long time if I went back through the details and told you exactly how it got started because it was my understanding they were talking water long before I became a member of the Board of Commissioners. But along in 1985 and 1986 when we had the drought, everybody then began to talking realistically about doing something about the water supply. In the fall of 1987, we had a referendum on it, 78 percent of the voters that went out supported it, and we immediately thought all we had to do was run and dam up the creek. It was not long before we found out there was much more too it than that, and in the fall of 1987 is when we finally found out that we had not moved from square one.

But then visiting with the state people, they pointed us in the right direction, to join in with the federal people and in December of that year, we sent out invitations to everybody that we knew that was connected with potable water, surface water, and 100 percent of them responded—not sending a representative, but every one of them came themselves, and we carried them to the site. This is what we want to do, why we need it, we need the water. And I think by early April, we had been able to submit all the documentation that we knew of at the time that we needed in order to get our 404 permit.

We got a commitment that possibly we would get it in July, we did receive it on August 17 of that year—of 1989, it took us until 1989 to get it.

We started work last September a little bit and we are probably two-thirds, half to two-thirds through with the dam, as you will see this afternoon, funded by local option sales tax 100 percent. We are moving along real good and we are going to have to put in a processing plant, which we hope to let for bids next week. Our sales tax—we are right on the edge of the doughnut and we get what Randy and Harry do not need or do not want in a lot of instances——

Mr. POYNTER. Oh, we want it.

Mr. VARNER [continuing]. As far as grant monies is concerned or loans and them kind of things. But we are growing right along and we think our project is coming real well and we represent a constituency down there that will support anything that is reasonable and rational that we can show them the need for.

The CHAIRMAN. Does Rockdale get down to the Gulf?

Mr. VARNER. Sir?

The CHAIRMAN. Does Rockdale get down to the Gulf?

Mr. JONES. No, no, I am going to have to draw you a map, Mr. Chairman.

The CHAIRMAN. You are about half way down, is that it?

Mr. VARNER. I kid them a whole lot, in other words, yes, sir, we are almost in the center of the state. Macon is the center of the state and we are 60 miles north of Macon.

Mr. JONES. See, the Chattahoochee does run on down to the Gulf but we are up in here.

We are eight hundred and what——

Mr. VARNER. Eight hundred twenty acres of water. Regulations are going to force us to have to acquire around 1,200 to 1,300 acres of land to protect wetlands, and I think those are the things that are confusing and frustrating to local people, because I thought if I was covering up 800 acres, I was creating wetland, I did not know I was destroying it until I got way along in the process.

Mr. JONES. We recently had a seminar in the District on the wetlands problem and that is something that we can maybe do down here because several hundred people attended. Commissioner Rives was there, developers were there, there were people there from the EPA and the Fish & Wildlife and Corps of Engineers and the Georgia Conservancy—a major problem in our state, Mr. Chairman, is the wetlands problem.

Mr. VARNER. I think clarification of what is a wetland.

Mr. JONES. Yes, sir.

Mr. VARNER. That is where the problem is. Nobody objects once they understand the justification for the request.

Mr. **Jones**. Yes, sir. I want to thank you all, you have shown great leadership on this issue and you have shown a way for others in our state to follow how this can be done. Now if the good Lord will just give us some rain, we will be all right.

Mr. **Varner**. Oh, we are going to be all right.

Mr. **Jones**. Thank you, Mr. Chairman.

The **Chairman**. Well thank you both, and my thanks particularly to you, Randy, for your kind hospitality this afternoon. Thank you very much.

On our third panel, we have the Honorable C. Dean Alford, State Representative from Rockdale/De Kalb County and the Honorable Thurbert Baker, State Representative for De Kalb County and the Honorable Denny Dobbs, State Representative from Newton County.

Let us start this way, Representative Dobbs, you start.

TESTIMONY OF HON. DENNY DOBBS, STATE REPRESENTATIVE, NEWTON COUNTY; HON. THURBERT BAKER, STATE REPRESENTATIVE FOR DE KALB COUNTY; AND HON. C. DEAN ALFORD, STATE REPRESENTATIVE FOR ROCKDALE/DE KALB COUNTY

Mr. **Dobbs**. Thank you, sir.

Mr. Chairman and my Representative Ben Jones, it is a pleasure to have you in the State of Georgia and in the home district of our fine Congressman. We are proud of the great job Ben is doing and we look forward to his long tenure in Congress very much.

I would like to thank you, Mr. Chairman, and the other members of your committee and other Members of Congress for the service that you are providing, not only to your respective States but also to our Nation. I would like to preface my comments today with three points. First of all, my comments are not intended to indicate that we need any more bureaucracy or a shift away from state lead programs. Also, I fear that as we are looked back on by the folks that come after us, they may view our tenure as caretakers of our Government as being shortsighted, and we certainly do not need to do that.

We also need to plan on a broad basis for as our population grows, the geographic areas expand and the territory actually shrinks and we begin to affect our neighbors more and more. So our planning has to be on a broad basis. Also I would just like to say that controlled, planned growth is called progress and uncontrolled growth is called cancer.

My remarks will be brief. I am sure you have heard many of these same comments across the Nation from other States. I am going to talk about three major concerns in dealing with our infrastructure. I consider our infrastructure to include water supply, wastewater treatment and transportation. Those are the three I will talk about today and I will address them in that order.

Water resources are vital to our growth and well-being. Across the country we have seen over the last several years problems continue to surface in providing an adequate safe drinking water supply. These problems arise not only from a water quality perspective but from a water distribution and treatment side. As State financial resources are stretched by ever-increasing demands from all quarters, it is becoming apparent that we need help from the federal government in developing financing alternatives. These alternatives could include a Federal revolving loan program similar to the one that we have in Georgia that is managed by environmental facilities authority or maybe a grants program similar to the old construction grants program that was in EPA. We also might want to consider requiring all water discharges to be upstream of water intakes. That would probably encourage folks to treat better.

The point is that drinking water supply and distribution is becoming a critical issue financially and environmentally. Wastewater treatment faces the same general set of problems described for drinking water. We have many small wastewater treatment systems that need upgrading and in many cases we need the initial construction, we just do not have the funding to do it. Funding is the critical ingredient and could take the form of loans and grants as mentioned above, and possibly a look at privatization. This may be an appropriate time to consider that alternative.

The bottom line is the same. State financial resources are being stretched and a national plan of action and coordination is needed. As I mentioned earlier, this is not to say that states should not lead the way, it is just to say that we need help in addressing what is becoming a national problem.

Transportation, in view of recent events in the Gulf states, over in the Persian Gulf, are taking on a more serious tone every day. While it is obvious we need to maintain and upgrade our interstate and intrastate systems, I believe it is time that we develop and implement a national policy that seriously encourages alternate modes of transportation. I recently visited Los Angeles, and that is a prime case in point.

Our major emphasis on building more and more roads and bridges in high population density areas is too shortsighted, I fear. Our large cities have demonstrated that you cannot build roads fast enough to keep ahead of the growth in the number of automobiles. Also, our energy and environmental concerns demand that we become more efficient in the use of our energy resources.

Mass transit or mass movement of people is a desired option and this approach needs to be supported and if necessary, subsidized. While it may not work everywhere today, it is a very real part of our long-term solution to the gridlock we are facing in more and more cities across our country.

For the final point, I believe our rail systems must be preserved, and I have listened to several speakers before me echo that concern. For environmental and energy reasons, these are very efficient ways to move materials and people.

In the long term, rail traffic offers desirable features and we must look 25 or maybe even 50 years ahead.

I want to thank you for the opportunity to address you today and we are just happy to have you in Georgia.

The **Chairman**. Thank you, Representative Dobbs. Representative Baker.

Mr. **Baker**. Thank you, Mr. Chairman. Let me also take the opportunity to welcome you to the State of Georgia. It is certainly always good to see my Congressman, Representative Ben Jones. I appreciate the opportunity to also discuss with you my perspective on infrastructural needs.

As you know and most of you realize, infrastructural needs have put a tremendous strain on the purse strings, not only of the State but of local governments. Each of us I think realize that a sound infrastructure is essential to the long-term economic growth, both of Georgia and its cities.

I would like to talk to you about several infrastructural issues, in particular solid waste, wastewater, water supply, hazardous waste, highway, mass transit and aviation. I would like to just touch upon those briefly.

Let me say at the outset though, as a philosophical matter, that I believe the problems that we are seeing with infrastructural needs and how we are going to deal with them must come about through a cooperative effort I believe from the Federal Government, the State government and of course local governments. Possibly from a federal standpoint, we could look at low-cost tax-free financing and other grant programs. From a state standpoint, maybe we could consider some increased funds to the Georgia Environmental Facilities loan fund and more state appropriations. From local government we could possibly consider increased ad valorem taxes combined with local user fees, all put together in a joint effort to address our infrastructural needs.

Let me first of all touch upon solid waste. During the past session, the general assembly of this State passed a revised Solid Waste Management Act, which I believe holds promise to provide an approach to this State's solid waste dilemma. There is a negotiations process built in there where a facilitator will support resolution of siting disagreements, which always seem to be a problem.

However, landfill system improvements in Georgia will cost in excess of $100 million. De Kalb County has approximately 24 months in remaining permitted capacity and I am told requires a minimum of $1,110,000 for solid waste system improvements. Likewise, Fulton, Rockdale and Newton County will require some $3,860,000 in improvement with remaining capacity from a low of nine months to a high of 64 months. Presently this cost projection of $100 million is answered by $1.2 million in state grants with no Federal support.

In the area of water supply, the issue of supply has been addressed in part through the Growth Strategies Commission efforts for water reservoirs. But this action only addresses north Geer has really stressed our system. In fact, Alabama and Florida have entered into court litigation to prevent the diversion of water flowing from Georgia to their states.

In the area of wastewater, the need for new and plant expansion transport systems and sewer rehabilitation combined with sewer overflow problems will cost a minimum of $670,380,000. Compare that with the State Water Pollution Control Revolving Fund which only has $30 million in it and you can readily see the problem. Several projects in De Kalb County alone will spend nearly $5 million, that being the Nancy Creek relief, the Pole Bridge project and the Upper Snapfinger wastewater treatment project. These things continue to strain our infrastructural system, just from a sheer dollars standpoint.

In the area of hazardous waste, we are presently studying issues of hazardous waste management through a joint House-Senate committee and will report those findings and recommendations to the 1991 general assembly of this State.

Moving quickly along to the area of transportation and mass transit, MARTA is expanding and certainly promises some metro relief relative to highway and road congestion for the commuter. I heard mention earlier of the situation in the Mideast and the unstable problem we have there. That obviously is going to show up in our gas prices which continue to provide a strain on the system. Cost to expand rail lines is tremendously expensive, as you know, and will require a combined federal, state and local approach.

Aviation, Hartsfield Airport, I think Congressman Jones mentioned earlier, is presently operating near capacity. The fifth runway or the addition of a fifth runway, will alleviate some congestion but a second regional airport, Mr. Chairman, I would submit, serving flights originating or ending in Atlanta, is needed.

Highways, Georgia is committed to rural highway development for economic and social reasons. We are designing an outer perimeter right now beyond I–285 and widening major highways through congested areas. We are, however, facing a problem with bridges that have been declared unsafe. This presents an additional strain on our dollars. That must be considered in the context of a slowing economy here in Georgia, where we will be called on to decrease our budgets somewhere in the range of $300 to $400 million, due primarily to over-projection and a sluggish economy.

Mr. Chairman, members of the panel, I think sometimes in our complex society, we tend to skew the obligations of government at almost any level. I think, however, that our basic and foremost duty is to provide the basic services for the citizens of this state and the country, and that certainly involves providing a sound infrastructure system. We would certainly like to work with you and hope to have your support in doing that here in the State of Georgia.

Thank you for your time.

The **Chairman**. Thank you.

Representative Alford.

Mr. **Alford**. Thank you, Mr. Chairman. I too would like to express my appreciation for you being here today and listening to comments and to Congressman Jones. Always his staff has been willing to work with us and we appreciate that very much.

I will keep my comments brief and into three general areas that I think the infrastructure needs that have been highlighted today; drinking water, solid waste and waste water, recognizing there will be hearings at a future time on the drinking water issue, let me just say to you that the reservoir program that is being implemented in this state is moving forward but right now the wetlands situation facing the Environmental Protection Agency is making that very difficult to move forward. But funding of those projects continue to be a difficult part because it comes out of state funds entirely and we are hoping for somewhere in the neighborhood of $200 million of state funds to build these programs.

However, the reallocation of Lake Lanier is without a doubt the most critical water issue in this state. If we do not have reallocation, the metro area will begin to experience negative economic impact by the year 1994. It is the most crucial thing facing the metro area at this time.

Also, I would like to add that sometimes I think we are quick to spend money to build new facilities and have been slow to give money for projects that are on the, if you will, demand side, the conservation side. We have been quick to provide money to build more reservoirs, but we have been slow to fund programs that would put in more water conservation devices. I applaud Rockdale County recently for changing the code for new construction and I think a major role for the Federal and State levels is to provide just as quick financing to help implement technologies that reduce the demand for water as we put money in place to build new water supplies.

In the area of wastewater, this State right now has on its books requests for $670 million of wastewater facility projects. In 1985, the Georgia General Assembly developed the Georgia Environmental Facilities Authority where we put funds in loans to local governments. I want to compliment Congress and this committee for allowing the State of Georgia to receive $30 million a year to match the dollars we have put forth. To date, we have funded 202 projects to the tune of $118 million. But as you well know, the $30 million from the federal program will stop right now tentatively in fiscal year 1994. Not only do we need those dollars to continue, but we are willing to match at the state level those dollars. The requirement, as you know, is 20 percent. Right now we are putting $13.5 million and at this rate alone we will not meet the needs. We think loan programs are good, they are working, right now we are receiving somewhere in the neighborhood of repayments of 99 projects to the tune of $5 million a year. If we could get more money in the form of loan payments where we could build these wastewater treatment facilities, it would be helpful.

Last year we turned down 128 projects. For every three projects we receive in the state to fund, we have to turn down one. And as we move into the 1990s, protecting our environment is very important. Wastewater treatment and drinking water are all tied together.

In the area of solid waste, today 195 permitted sanitary landfills serve 98 percent of Georgia. However, in the past five years only 18 permits have been issued. Today we are seeing landfills being filled quicker and quicker every day and we have to have programs to allow local governments—last year the Environmental Protection Authority asked funding for loan programs for landfills. We were not able to do that because of a shortfall. We need some dollars to put into a loan program once again for our solid waste.

Our local governments have been more than willing to participate in programs of this nature. They are not asking for a give-away, they are asking for a helping hand, a helping hand at interest rates that they can afford, because right now the need on local governments is not going to be because of tax increases, but the money to pay for water and solid waste is going to outstrip any kind of tax increases we have ever seen.

And so as you go back to Washington, we at the state level want to work with you, but it is going to have to be in such a way that it is going to have to be at dollar levels that make a difference. The $30 million has been wonderful and we appreciate that, but we just simply need more. And we are willing to do that on a loan basis.

Once again, let me commend you for your efforts. We applaud the efforts that brought you here to hear our needs. We know your task is great and we thank you very much.

The **Chairman**. Thank you very much.

What priority do you fellows give to public facility projects and how do you see their impact on the economy and development within your State?

Mr. **Alford**. Well I will jump on that by saying I think the top priority has to be drinking water. You have heard the numbers about the growth. The Chattahoochee River, while we would like to be close to the Gulf, Mr. Chairman—for years after I moved my wife from Mobile, Alabama, I used to have her convinced that we were close, but the Chattahoochee River is a very, very small basin to serve this city. You could not have chosen a worse place to put a metro area. And we need drinking water very bad. And we are dead serious when we say by 1994—we are not talking about the year 2000, 1994, we are going to experience negative economic impact if we do not have the reservoirs and reallocation.

Mr. **Baker**. Mr. Chairman, I would certainly agree with that and that seems to be our primary concern here in the state. As I mentioned earlier, the Growth Strategies Commission that was spearheaded by the Governor of this state a few years ago and continues to be a priority in this state, was set up to address that water problem. However, we are going to have to do some additional things to make sure that we have got water and an adequate supply of it, to carry this state through the 1990s and into the year 2000. So I would agree that is a major concern at this point.

The **Chairman**. Mr. Dobbs.

Mr. **Dobbs**. Drinking water.

The **Chairman**. Ben.

Mr. **Jones**. I would have to concur, Mr. Chairman, if I might venture an opinion. I will make a minor speech here if I get started on it. But we know we have all these needs, these transportation needs and these other infrastructure needs. But if you do not have water, you do not have anything. And this reallocation is vital to the continued growth, not just of this region, but I think of the southeast, because there is a domino effect. And I think it would be short-sighted for people frankly downstream of Atlanta to not recognize that their own economic future is tied inextricably to the economic future of Atlanta. And we do have to have water first of all.

I would like to thank all of you. Once again, we do not have the time to fully discuss this. I can simply promise you that we will do all we can from the federal level. You know, when we talk about—the popular phrase recently when everybody is looking for funds for this or that project, no matter what it would be, well we can get it from the peace dividend. That peace dividend has already been spent about 400 times over.

But what I think—you know, I have always said that if there is such a thing, the first thing it should go to is deficit reduction which will bring down interest rates and stimulate this economy in other ways that would provide us with a base to do these things. But I think at the same time, we have to have now a clear national energy policy that is linked to a national transportation policy that is linked to a clear vision of a national infrastructure rebuilding policy and all those things are inextricably linked and that it is incumbent upon the leadership in Congress and the White House to define that because the economic future of this country and our ability to compete internationally is tied to that. And I do not think it could have been any better stated than we have just heard it from some very fine public servants, and I just want to thank them.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Baker appears on p. 1286.]

The CHAIRMAN. Our next panel is composed of Mr. Alan Yorker, Vice President of the Georgia Association of Railroad Passengers, and Mr. J. David Chesnut, member, Board of Directors of Metropolitan Atlanta Rapid Transit Authority.

I do not know which one to call on first—Alan Yorker or J. David Chesnut. Mr. Yorker, okay, you are it.

TESTIMONY OF ALAN M. YORKER, VICE PRESIDENT, GEORGIA ASSOCIATION OF RAILROAD PASSENGERS AND J. DAVID CHESNUT, MEMBER, BOARD OF DIRECTORS, METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Mr. YORKER. Mr. Chairman, Congressman Jones, gentlemen, guests, as a citizen of the Fourth Congressional District of Georgia who has been advocating legislative support in the United States Congress for passenger rail transportation over the past 12 years, I thank you for this opportunity today to present my views. I appreciate the significant role that this committee has played in helping keep passenger rail transportation modes alive during difficult times of federal budgetary prioritization. I believe this committee has acted wisely to maintain a vital transportation network and to also set the stage for transportation viability into the future.

The passenger rail network in the United States, which has been most efficiently operated of recent by AMTRAK, and the networks underlying infrastructure, are true national resources. Congress has guaranteed their existence over the past 18 years. In that time, Americans have rediscovered the usefulness and sensibility of rail travel and are returning in ever larger numbers to ride passenger trains. As AMTRAK continues to approach economic self-sufficiency in its operations, due to both public demand and excellent management, it is clear that capital investment in passenger rail will be necessary to continue the regrowth of this mode and to ensure that passenger rail technology is in place to meet the demands of the 21st century.

The benefits of passenger rail transportation are without dispute. It is fuel efficient, therefore economical, safe, environmentally superior to other modes, convenient due to its infrastructure access to all regions and areas of the country, both urban and rural, and proven. Like all transportation modes, however, it requires capital investment in modern equipment, maintenance and improved performance. Restored service to lines once served, such as the midwest to Florida routes, are acknowledged needs. Coordinated service, such as the combining of inter-city AMTRAK service at Penn Station in New York City is economically sound and operationally efficient, yet it requires capital funds to effect. Creating intermodal stations of transportation, such as those in Harrisburg, Pennsylvania; Hartford, Connecticut; Santa Ana, California, make good sense and prove popular with travelers, but they also require significant investment.

We are at a turning point in United States transportation policy. We have the opportunity to educate and assist the American citizen in preparing for the next century by supporting transportation modes which will be ever more useful and necessary. By investing sooner rather than later, we save billions of dollars and we create a transportation network to handle the needs and priorities of future generations. Similar investments by our western allies and our newer eastern bloc friends are because of their understanding of such foresighted planning and not because of a romantic attachment to passenger trains. The businessmen of our country in the northeast corridor, for instance, are flocking to passenger trains and are outstripping the supply of seats between New York and Washington. Family travelers in this country are fully booking long distance trains months in advance for the four month summer travel period. Many trains are near capacity year round, such as the New York to Florida lines.

Attention now turns, therefore, to funding sources. Annual subsidy allocations, even at diminishing levels, require a politically wasteful process, in their requirement of placing the various transportation modes in direct competition with each other. A new policy, based upon a national transportation trust fund is being advocated by some congressional passenger rail supporters, AMTRAK's leadership and the National Association of Railroad Passengers, of which I sit on the Board of Directors. A single penny of gasoline tax allocated to passenger rail would supply AMTRAK wit its capital needs indefinitely, and considering passenger rail's fuel efficiency, safety, and environmental soundness, the penny would seem well deserved. Modes of transportation that are the most expensive and fuel-demanding would therefore help support modes that are the most efficient and economical. This scheme would work toward more balance and budgetary responsibility. This economic plan would allow long-term planning in the passenger rail mode, enable AMTRAK to keep up with its resource needs, depoliticize the funding mechanism for AMTRAK and passenger rail and contribute to federal deficit reduction.

Our nation's railroad system is the largest in the world, but it is not at its operational optimum. Many lines and their invaluable rights-of-way are in danger of being lost to the years of neglect while we flirted and fell in love with newer modes of transportation; namely planes and super highways. As we come to once again realize the value of what we already have and its importance for the future, we must not let these assets be lost forever, as some unfortunate areas of our country have already done, such as Los Angeles and its once great streetcar and inter-urban line network. Protecting routes and rights-of-way is another sound investment for the future that will more than repay us back. We will make significant use of these resources in the not too distant future.

A last note I would like to make is in reference to the current administration's interest in magnetic levitation research as it relates to passenger trains. Magnetic levitation is a not altogether proven technology for massive network and intermodal development. However, it may prove adequate and feasible, or not. It it worth examination. However, high speed passenger rail technology already in place in the world is equally as efficient and useful, such as the French TGV system, which is compatible with existing older technologies. Reaching speeds in excess of 300 miles per hour provides excellent functionality for the foreseeable future and then some.

In closing I would like to just say that in spite of the apparent benefits from investment in the rail mode, our State of Georgia Department of Transportation insists that such plans for development are far too premature. Clearly an appropriate role for the Federal Government would be to offer leadership and guidance to the various states in promoting a transportation policy which will include all appropriate modes of moving our citizens, not merely the modes with which we are most accustomed and familiar. I believe the time to incorporate passenger rail into the national transportation plan has come. Rail transit, urban, suburban and inter-city projects are good for the people, good for the economy, good for the welfare of Georgia and good for our country.

Thank you.

The CHAIRMAN. Mr. Yorker, when you referred to Los Angeles, you looked at me. [Laughter.]

You obviously did not know that about three or four weeks ago, I was one of the dedicators of a big new blue line that goes from the Long Beach area all the way to Los Angeles, up about two stories high all the way, so it is not one of these that has problems. I must admit that as of today we can only go from the Long Beach area to Los Angeles, but we are also building one that goes from Los Angeles out to the San Fernando Valley and to West Los Angeles and another line to the Los Angeles Airport and also east to Orange County and we will have hopefully within the year so we can go almost anywhere in Los Angeles on fast transit. So I just want you to know, as bad as we have been, we are trying to do better.

Mr. YORKER. Your predecessors, not you, sir.

The CHAIRMAN. Oh, OK.

Mr. YORKER. Our national newsletter covered the opening of the line.

The CHAIRMAN. I made six speeches along the opening of it.

Mr. YORKER. I commend you for your involvement.

The CHAIRMAN. Mr. Chesnut.

Mr. CHESNUT. Thank you, Mr. Chairman, and along with all the others, I want to welcome you to Georgia and say how much we appreciate the opportunity to appear before you.

Last August I had the pleasure to speak at a public hearing on the National Transportation Policy. Not discounting the high priority that Americans have traditionally placed on personal mobility, I argued for rational and balanced transportation policies. Our nation's mobility is almost totally dependent on highways and automobiles. This is a one-sided policy that has put our nation at risk.

The events of the past week in the Mideast have once again pointed up the inevitable consequences of our nation's massive dependence upon foreign sources of oil. We Americans must curb our insatiable appetite for personal mobility. Otherwise, our economic and political independence will always be held hostage to events like those which have occurred in that part of the world.

As we turn to address this current crisis, we should use it as an opportunity to educate the American public on the advantages of alternative modes of transportation. To show them that to preserve and ensure our nation's mobility, each American must be willing to sacrifice some of their personal mobility by traveling in a vehicle other than their single-passenger car.

To some extent, the inexorable laws of economics will soon take over and as the price of gasoline and oil rises, more people will seek alternative forms of transportation. But what do we do when our population turns to these other transportation modes and they do not exist? That is the concern that I have often expressed and the one that is underlined by our current events.

We need national transportation policies that will encourage the planning, construction, expansion, rehabilitation of alternative modes. I would suggest now, as I suggested then, that we call for a substantial increase in motor fuel taxes to pay for investments in transportation infrastructure. While bridges and road will require part of that investment, other transportation modes like public transit, rapid rail and commuter transit, should be given due weight when they are deemed appropriate alternatives.

Yes, it will require a sacrifice on the part of all Americans, but we will be investing in our own future rather than just paying higher prices artificially created by the oil cartels.

The Atlanta region has begun the business of building an alternative transportation system that is less dependent on foreign oil, reduces traffic congestion and is friendly to the environment. The system is MARTA. Since 1971, MARTA has been aggressively implementing a regional transportation—bus and rail—system for metropolitan Atlanta. The system currently serves the urban heart of the eight county region where more than 50 percent of the population resides.

We have a record of service to the community that is unmatched, but MARTA must reach out to counties in the metropolitan area as yet unserved and provide the mobility necessary to a healthy regional economy. Such regionalization of MARTA will also spread the infrastructure needs and will not concentrate them in one area. MARTA can continue to expand its service area and these expansions are currently under construction—the north line, the east line and the northwest feeder line. Other corridors in the region are being assessed for their rail transit potential and still others are yet to be studied.

The Atlanta region's population—you have heard the growth figures—but Harry West's figures show that we currently stand at 2,364,000, expected to reach 3,865,000 by 2010. A major expansion in the transportation infrastructure will be required to support that growth.

MARTA along is only part of the answer—or mass transit is only part of the answer—to the region's alternative transportation system. A complete vision would see a commuter passenger rail system that would provide access to the urban hub for the growing population in suburban areas. A well planned commuter rail system feeding into an efficient MARTA system would serve to distribute the commuters throughout the region and could provide the needed alternative transportation system to the metropolitan area.

Commissioner Rives has mentioned one line to the northeast. There is another line which is currently being appraised to the south, which is being—in the process of being abandoned by the Central of Georgia Railroad, that should likewise be purchased.

The benefits of such a system would include removing vehicles from the roads and interstate highways, increasing the efficiency and functional life of our highways, reducing vehicle emissions which cause air pollution, and providing an energy efficient mode of transportation making us less dependent upon foreign oil.

Such systems are not built overnight, nor will it be easy to wean Americans from their well-known love affair with the automobile. But we need policies at the national, state and local level that will assist us in providing these systems and will encourage and reward those who are willing to abandon their cars in favor of public transportation.

Mr. Chairman, my thanks to you and the other members of this Committee for being here, and I will be happy to answer any questions you might have.

[The prepared statement of Mr. Chesnut appears on p. 1294.]

The CHAIRMAN. Yes. We have survived about nine years now of cuts in operating assistance, engineered by the federal administrations. What would you see as the impact in this region if federal transit and rail subsidies were eliminated?

Mr. CHESNUT. Let me answer that, Mr. Chairman. I think that the MARTA system is one of the few systems, or few rail properties as they are known in the Nation, which has traditionally provided a reserve for replacement and repairs. We have compensated for that cutback in federal operating assistance by not being able to fund our reserve and using the interest income from that reserve to subsidize fares. Now that is a policy which is going to ultimately bite us in the rear and it is going to bite us bad, so bad we are not going to be able to sit down when we do not continue to fund this reserve for replacement and repairs.

So that is what has happened to the system in Atlanta.

The CHAIRMAN. Mr. Yorker, do you want to comment on that?

Mr. YORKER. Well generally, I would like to say that investment in the rail modality stretches a dollar a lot further to move the citizens of our state and country. And one of the problems about funding in this state is that the Transportation Department looks to Washington for all funding for projects of this kind. I think it is important that we lobby our state governments to begin to consider these modes so that we do not expect the federal government to be building entire new systems of rail, but to cooperate with us the way they have cooperated with MARTA. MARTA's putting up one penny tax has done a lot I think to encourage the federal government to play ball with us.

In terms of inter-city rail, however, we have not been putting up anything. Our state government does not seem willing to consider putting up a penny of gas tax or anything else. I would like to see some encouragement from the federal government for states to begin to invest in their own rail infrastructure at a higher level.

The CHAIRMAN. I pointed out that we have survived roughly the last nine years of cuts in operating assistance by the federal administration—it has just been cutting them. Now if they go beyond that and eliminate the transit and rail subsidies, that might even be worse, I do not know. Now you came in with kind of a substitute idea there, but——

Mr. CHESNUT. Well sir, all I was trying to say is that we have absorbed those cuts by cheating other areas of the operation. And you can only go so far with cheating. We have got a new system here, just as you have in LA, got basically a new rapid transit system. Well you can cheat it for so long but then when you cheat it, you are going to be dealing with the same situation which you are presently dealing with in New York City where you are having to go back in and rebuild a system. And as you well know, they had no funds up there to do the rebuilding themselves, when they should have been allocating monies for what you would, in the private sector, refer to as depreciation, and you would be funding a reserve for depreciation and repairs, to come back and—and we are not going to let the system go down, do not get me wrong, we are not doing that. But those new cars out there can only last for so long and there will come a time—if you look at the situation in Pittsburgh where they have refurbished the old trolley cars. They have refurbished those cars at a million dollars a car, that is what it has cost them to refurbish the trucks, the total infrastructure.

So we have cheated—and I believe that I am correct, I would not say this for absolutely sure, but I believe we are the only property in America that has even tried to reserve against that. So we had this reserve to fall back on. We have run out of that now and we recently increased the fare from 85 cents to a dollar. We have a 1 percent state subsidy and it goes 50 percent to subsidize operations and 50 percent for our proportionate share of the bonding capacity for construction.

But we have run out of sources of funds. We have got to go find some more funds.

The CHAIRMAN. Ben, I think I will hand that to you. [Laughter.]

Mr. JONES. Thank you, Mr. Chairman.

As both of you know—I think you know—I grew up in a railroad yard from a railroad family. Some might say I was born in a boxcar, but I was—I am from that tradition and one who believes very much in rail travel and I travel to Washington quite frequently on the Crescent. It is a great trip.

We are at a critical point right now, I think, in that as we point out, it would be nice to have right now but it is not there. And so it is—are we willing to make that investment in the future, to create an intermodal rail system such as you describe. We here in Atlanta are in a unique situation, Mr. Chairman, this town was built on railroads. There is a railroad line that runs from here to anywhere in the United States. This was the rail capital of the southeast before it became the air capital of the southeast, this area. But we are not using that rail to move people with.

The question I think is going to take a leap of faith and maybe dramatic circumstances such as we have seen recently to help us understand. But as you know—and I do not know if Commissioner Rives is still here or not, but traditionally state departments of transportation,—highway departments—have been very jealous of that highway fund and they do not really see rail as a public alternative, but rather a private—excuse me, go ahead.

Mr. CHESNUT. In the Chairman's state, they recently approved an increase in the motor fuel tax, a portion of which went to rail. I think what Alan and I are both advocating is an increase in the—why should the increase in the fuel—and we and Canada are the only two nations in the world where gas is under $2 a gallon. Why should we subsidize the war in Iran——

Mr. JONES. That was as of 3:30. We might go out and check again. [Laughter.]

Mr. CHESNUT. Well, that is right, as of 3:30.

Why should we subsidize that when we can be subsidizing our national transportation policy. That is the question, Mr. Jones.

Mr. JONES. You are preaching to the choir here. I absolutely agree with you.

Mr. YORKER. We had a very interesting and somewhat embarrassing local experience recently when the federal Railroad Administration in the Bush administration, a Republican, came to Atlanta to talk to city officials and rail interested parties about a new intermodal rail station for Atlanta and caught everyone in the city off-guard except the chamber of commerce in being unprepared with a plan with what this city and State and metropolitan area were going to do. It left everyone saying "gee, Mr. Carmichael, that is a good idea, but we did not know you were interested in that." I think it is wonderful that federal administrators are getting interested in that and going out to cities and states and metro regions and saying we will help you with this, but what is your game plan, guys. You live there and you are part of that community. We need to have those plans and we need the leadership and encouragement that is coming from Washington to continue that. We need to have Mr. Rives know that you believe in Washington that people do ride trains and that his belief that they will not ride them and do not ride them is outdated by 20 years.

Mr. JONES. Well I cannot speak for him, but I think it would be beneficial. Hopefully maybe I can do this at some point, is have a hearing about the future of rail here and we can bring some more folks, some more public attention to it.

David, I would like to say that one of the privileges of this job that I have had is every year going to the Appropriations Committee to brag about MARTA. It is one of the best run rapid rail systems in the country and it is because of good management. We understand the pinch you are in and you are doing a good job and of course, Alan, I want to see us develop a reasonable and rational and visionary rail policy in this country.

And I want to thank you both for coming today to testify.

The CHAIRMAN. I think Mr. Chesnut liked what you said.

Mr. JONES. I meant it. [Laughter.]

The CHAIRMAN. The final panel is as follows: Ms. Joy H. Bauer, Executive Director of the North Fulton Chamber of Commerce; Ms. Annie Hunt Burriss, Vice President of Economic Development in De Kalb; and Mr. Robert Maddox, President of the Rockdale Chamber of Commerce.

Mr. Maddox, a while ago, I said ladies first and I introduced a lady first, but this time you are out-numbered, so why do you not go first.

TESTIMONY OF ROBERT W. MADDOX, PRESIDENT, ROCKDALE CHAMBER OF COMMERCE; JOY H. BAUER, EXECUTIVE DIRECTOR, NORTH FULTON CHAMBER OF COMMERCE; AND ANNIE HUNT BURRISS, VICE PRESIDENT OF ECONOMIC DEVELOPMENT, DE KALB CHAMBER OF COMMERCE

Mr. MADDOX. Chairman Anderson, Congressman Jones and members of the panel, ladies and gentlemen, good afternoon. I am Robert Maddox, I am a partner with the law firm of Maddox, Starnes and Nix here in Conyers, Georgia. My appearance here today is on behalf of the Conyers-Rockdale Chamber of Commerce where I serve as President for this year, 1990. On behalf of the 780 businesses that belong to the Chamber, I would like to welcome you to our community and thank you for the opportunity to express our views on the state of the infrastructure in Conyers and Rockdale County and its effect on our economic future.

I believe that Conyers and Rockdale County present a unique challenge in the metropolitan Atlanta area. Ours is a community that is both urban and rural, it is modern and traditional, blue collar, white collar, bustling and also slow-placed. Our proximity to Atlanta has made Rockdale County one of the most popular bedroom communities in the state. Yet at the same time, a growing number of businesses and industries moving into our area increases the number of people who are both living and working here.

The population of Rockdale County in 1990 approaches 55,000. Since 1970, the county has experienced a growth rate of more than 168 percent. The Atlanta Regional Commission projects that in the year 2000, our population will surpass 85,000 people.

Rockdale County's dramatic growth began in the mid-1970's when our nation's transportation network was the envy of the rest of the world. The completion of Interstate 20 in the 1960's literally paved the way for this growth. But today, our nation's transportation network faces a gridlock crisis. This crisis is a result of six major trends: Suburban development, economic relocation, demographic and labor force changes, increased automobile use, reliance on trucks and a lack of infrastructure investment.

We must invest in the transportation system that has brought us this far. Industrial prospects visiting Rockdale County list our proximity to Hartsfield Airport, the Georgia rail system, the seaports of Savannah as top factors that would attract them to our area. Our lifeline to these resources is a strong interstate and highway system.

For that reason, we are urging you to stop the diversion of motor fuel taxes for non-transportation purposes such as deficit reduction. Continuing this practice would turn any highway trust fund into just another general revenue program.

The people of Conyers and Rockdale County are concerned about transportation needs. What were once rural highways through our community are now bustling avenues of commercial activity. Georgia Highways 138 and 20 are in desperate need of traffic improvements and we are currently working with the State Department of Transportation to ensure that everyone's best interests are considered. The public is willing to pay for transportation improvements, but they are not willing to see these funds used as a catch-all for budget shortfalls.

Of course, there are other concerns with infrastructure which need to be addressed. Water is one of these. A new reservoir is planned for north Rockdale County and that is expected to help meet our water demand needs into the next century. Also, the City of Conyers has started a recycling program and this is a good example of what every community should be doing to help manage waste and to protect our environment.

Our city and county officials are working together to meet our future demands as economic and residential growth continues.

In my opinion, we have a partnership to uphold. Local, State and Federal Governments should work together with the private sector to ensure a higher level of productivity and a good quality of life for Conyers, Rockdale County and the entire nation.

Thank you, Mr. Chairman.

The CHAIRMAN. Ms. Bauer, I think you are next here.

Ms. BAUER. Mr. Chairman, Congressman Jones and counsel, I want to thank you for this opportunity and honor to address you. My comments will be brief. As much as I would like to talk specifically about north Fulton County which is the northern most part of Fulton County, I feel it is more important and critical to talk about the region as a whole.

The CHAIRMAN. I have got down here North Fulton Chamber of Commerce.

Ms. BAUER. Yes.

I feel that the infrastructure issues with regard to economic development do not just stop at the north Fulton County boundaries and lines, they cross jurisdictional boundaries. I would like to read my comments, if I may.

The economic future of the Fourth District, which we are a part of, metro Atlanta, the State of Georgia rests on continued economic development. Economic development cannot continue or thrive unless the needed infrastructure is in place to support this growth. The lack and condition of our current infrastructure not only affects the Fourth District and north Fulton County, but affects the entire region and the State of Georgia. Particularly with what is happening in the international marketplace, we will be facing much more competition and a broader base of competition through the 1990s.

The demand for our region's resources, both natural and manmade, is great. These resources include Hartsfield International Airport, the Chattahoochee River, Lake Lanier, MARTA public transportation system, sewer treatment facilities and a vast road system. We have and are approaching this through regional cooperation with the Atlanta Regional Commission, the Governor's Growth Strategies Commission and numerous other partnerships crossing those jurisdictional boundaries.

If I may divert from my testimony for a moment, we are just now embarking on the Mansfield Road interchange which is taking place in north Fulton County. It is a new interchange just north of the Holcombe Bridge interchange on Highway 400, which is U.S. 19. As I mentioned to you, the partnerships and the public/private partnerships which are critical for economic development is a good example. It is a $9 million plus investment in north Fulton County and Georgia, $4 million of that being from the federal government, $4 million including land donation from the private sector and the remaining dollars coming from the counties and the cities and the state.

To this cooperation and vision, the Fourth District inclusive of north Fulton, the metro area and the State of Georgia are a good sound investment for both business and residents. Economic development, as we know, creates jobs, a strong tax base, which provides the needed quality of education, health care and assisting the local governments with the quality of life services that they must provide. Through the Governor's Growth Strategies Commission and the Department of Community Affairs, Georgia, again inclusive of the Fourth District, north Fulton and metro Atlanta, must have the ability to fund the needed infrastructure improvements and expansion to ensure our future. But more importantly, I feel it has come to the point in the 1990's that it is going to be to really ensure our survival.

I want to thank you for the opportunity.

The CHAIRMAN. Ms. Burriss.

Ms. BURRISS. Mr. Chairman, Mr. Jones and counsel, thank you for the opportunity to come and speak before you. We commend your efforts to examine the infrastructure needs of Georgia's Fourth Congressional District and how that is going to affect our future.

I am going to deviate from my notes, but I would like it to be reflected that we were environmentally concerned and we put ours on one page, front and back.

Economic development, which is what my business is—I am Vice President of Economic Development for the De Kalb Chamber—economic development is based on three things; leadership, location and infrastructure. So I would like to talk about the three things. A critical thing—not in my testimony—is De Kalb which is 100 percent in the Fourth Congressional District, is a community of 550,000 people. We have 330,000 jobs in our county and there are 22,000 businesses. So within 269 miles we have more population and jobs than several states in the union.

We are fortunate in the first category of leadership. Our Congressman is one we are very pleased with and he has been most helpful to us and very good to respond to our needs, and he looks ahead to the future. That is what we are all committed to in economic development, is developing a vision of what we are and what we can be, and he has been most helpful in that leadership role.

Infrastructure is the critical element that we hang all of our economic development on, and so I would like to address three particular aspects of that, but cast it within this light. I think from a city planning standpoint and the development of the United States, what we have been seeing in the last couple of decades and will be seeing in the future is the rise of the city state, a massing, an urbanization of our country. And as such, that means local governments because of what has happened in the last decade, where funding has shifted from the federal level back to the state and back to the local level, there are a lot of responsibilities that have been heaped on the local level that were formerly assumed by federal leadership. And the rise of the city state I believe caused the federal government to look at that role. Since it is not just rural areas and populations are massing together, I think that there is a federal responsibility in looking at that.

Number one, water supply and quality. You have already heard from Harry West, so I will not go into all that detail that is in my statement here, but we have got adequate water supply to 1995, speaking for this district only. The water and sewer capacity is the one thing that is going to limit our growth. We do not have a mountain range, we do not have an ocean, it is water and sewer. If more water is not made available, there will be a million less people and 680,000 less jobs in Georgia by the year 2010, unless that is dealt with. So there is some legislation that we believe Mr. Jones represents us well on, but we appreciate your support.

In De Kalb County, we are by far the most blessed of all the counties in metro Atlanta. We have 30 million excess gallons of both water and sewer capacity. That is because of a partnership between the county of De Kalb, local leadership, state leadership, but definitely federal dollars. We were blessed to have leadership that took advantage of the programs that were available in the 1950's, 1960's and 1970's. Our adjacent counterparts in Gwinnett and Cobb and parts of north Fulton, they do not have the advantage of those federal programs that were in place a decade ago. That is to my advantage just from the De Kalb basis, but De Kalb has always taken a regional perspective, which is what you are doing.

Solid waste—we we are all very environmentally concerned right now. We would like to see Public Works encourage ways to encourage recycling and to make that something that becomes part of the national priorities. For example, the average American generates over three and a half pounds of waste every day; in Georgia, that is four pounds. I do not know what that says about us Georgians, but that number is increasing. And again in De Kalb, we have solid waste disposal capacity through 2020, but that is because we have had good leadership to look ahead. But I would like to see the Federal Government encourage local leadership to make some decisions on that, and I do not know how that is done. I will look to your wisdom on that.

The third primary area of public works that we are definitely concerned with is transportation. We have been blessed with that in De Kalb County. We enjoy more miles of interstate than any county in the state. We have taken a leadership role in trying to look to the future, we began collecting sales tax for MARTA in

1971. Our county generates over 13 percent of all the sales tax collected in the whole state of Georgia, so that is a considerable effort.

Every day we have got 26,000 people that get on the east line of MARTA, and that is 26,000—or 24,000 if you want to average it out a little bit—less cars that are on the streets, that means less road demand. In fact, the city of Decatur, which is the only city besides downtown Atlanta, that has a MARTA station right in the middle of it—it has consistently the lowest vacancy rates in metro Atlanta. As soon as we get a building up in there, we are full of occupancy, and a lot of that is due to the MARTA station.

But when you look at our MARTA parking lots in De Kalb, since we are on the periphery of expanding areas of metro Atlanta going out the east line and the north line, you will see that De Kalb's contribution supports the region. You will see a lot more cars with Gwinnett and Rockdale license plates on it, than you will De Kalb in our periphery stations.

So in summary, we appreciate you bringing this prestigious group to our District and we appreciate the opportunity to speak. It is critical—Atlanta has been a Cinderella city, we have not had a recession really since 1975, and everybody from Texas to California and New York has come here and invested and we have got a lot of surplus space right now. But because our basic infrastructure is good, with the airport and with the MARTA system, and the many amenities that Atlanta offers, we believe that fundamentally we are sound. But please—I guess the final request I would make is you have established great wisdom in trust funds that is the fairest way to pay for systems, and we would encourage that that money be spent for the reason that it was collected and not just to keep the deficit looking lower than it is.

Thank you.

[The prepared statement of Ms. Burriss appears on p. 1292.]

The **Chairman**. Thank you very much. I was going to let Ben go first, but I saw how nice you were in your comments here and he would have to spend much of his time thanking you and so—he can still do that, but in the meantime, I was going to ask a question for the three of you.

What are the most critical capital investment needs for this area of the state and which, on a benefit/cost basis, would have the greatest impact on your local economies.

Ms. **Bauer**. I will be glad to speak first. For the state, I see definitely water, sewer and a public transportation system. For north Fulton immediately, that would be water and sewer. We have been in a sewer moratorium through the summer and we are perceived, because there is a lot of growth in north Fulton, that it is tough to get water and sewer permits for long-term growth. So we feel that is an immediate need for the north Fulton Community.

The **Chairman**. And would that have a great impact on your local economies?

Ms. **Bauer**. Most definitely. North Fulton was considered a part of that crescent that was supposed to be the fastest growing area of the country. We have had a lot of wonderful growth and we are privileged with a wonderful quality of life. However, a lot of that planned growth are things that are waiting to happen, cannot go forward until they can get their sewer permits and make sure they are going to have adequate water service, which they were without for a short time this summer.

The CHAIRMAN. Any other comments on that? Ms. Burriss.

Ms. BURRISS. In the first place, narrowly, it would be transportation. If you cannot move people and goods, nothing is going to happen. When I spoke of the rise of the city state, as an example in De Kalb County, if we had $30 million extra dollars for right-of-way acquisition, that would access $200 million in state and federal funding for road improvements. And because we are picking up a lot of other infrastructure costs such as indigent care and a variety of other services that are no longer funded by the federal government, just $30 million help, which you used to provide a decade ago, would improve the quality of life, improve energy—reduce energy consumption, improve the environment. Water and sewer would be next but fortunately we are sitting well but the region really needs some assistance in that.

The CHAIRMAN. Do you have any comment, Mr. Maddox?

Mr. MADDOX. I would simply echo that water is our big concern here in Rockdale and the reservoir that is being considered for north Rockdale has got to be the long-term top priority for Rockdale County.

The CHAIRMAN. At this time, I think I will call on Congressman Ben Jones, who has been such an effective spokesman for this District.

Mr. JONES. Thank you, Mr. Chairman, you read it just like I wrote it. [Laughter.]

I want to do a couple of things. First of all, I want to thank this panel and all panels who have appeared today. You have given your time to illuminate us, the Committee staff, the Chairman, on our needs here.

Mr. Chairman, I represent the most exciting and I think dynamic Congressional District in the United States. The Fourth District is the most—I have said this a lot, but it is true—it is the most educated Congressional District in the southeast, it is the most affluent—of course it follows the education—but it is also the most diverse Congressional District in the southeast. And we have seen in our different counties we have slightly different needs, we have different politics, we have different styles and we have a great cross-section. This District is urban and suburban and ex-urban and rural and ethnically diverse, economically diverse. But we do have some common needs and I think we have laid those out for you here today.

This is the fastest growing area in the nation and we do have these needs, and this area here, this Fourth District, is sort of the engine that drives the southeast, I think we can say. We just want our share. As has been pointed out many times today, there are billions of dollars which are sitting in trust funds, not being used for the purposes that we paid into those funds for. We need that money back now to continue this tremendous prosperity, to continue this growth. And that is what this country—I think it was Calvin Coolidge said the business of America's business. Well that is what we are about here.

I want to thank everyone here. I also—for De Kalb County, I would like to say also that Chairman Manuel Maloof, who has been a great leader in De Kalb County, was not able to be with us today because he is hospitalized.

I noticed, Mr. Roy, awhile ago we were talking about the need for rain and it clouded up and had thunder and the pond is filling up. While we are praying, we will say a prayer for Manuel too.

I just want to thank you, Mr. Chairman and thank this Committee, and I will turn it back over to you.

The **CHAIRMAN**. I was just going to—I do not want to correct you because I know you are never wrong—you people are terribly lucky to have such a wonderful guy——

[Applause.]

The **CHAIRMAN**. He does, as he said, have the fastest growing district in the country. About three or four years ago, I was making speeches around the country and they were on this same thing, but I identified my area as having a problem and I said my Congressional District, but a little beyond it I am told that we are going to have three and a half million more people by the early 1990's than we have today. This got pretty good press and then several of the big governments in California sent a delegation of about five people back to me to meet with me and let me know it was not three and a half million, it is five and a half million. So I changed my remarks to five and a half million. And about three or four weeks ago, I was again brought up to date, it is now seven and a half million. And that is not the end.

Now if you have got seven and a half million plus people coming into your Congressional District or your area, you get an idea what I am up against.

I will not ask anyone to comment on it. [Laughter.]

Is there anything anyone else would like to ask these people here? I do not have any specific questions. I do know that we are kind of pushing for time to get us—there is a plane waiting for us to get us someplace—oh, we are going to look at the reservoir first.

I think then I will close it up. I want to thank all the witnesses who appeared before us today for their excellent statements.

This was a good and productive hearing. The testimony we received will be helpful to us as we work to put together a national infrastructure program.

Ben, I want to compliment you on putting together this hearing, and your staff for their efforts in helping things to run smoothly.

And to those here, I want to reiterate what a super job Ben is doing on your behalf in Washington. He is becoming a leader on water issues and I know that I will do whatever I can to help him help you to meet your particular needs. And I am not kidding, I am going to help you, but you are going to have to work on me a little bit.

Mr. **JONES**. I will work on you.

The **CHAIRMAN**. I want to thank you all very much, and I think probably with that—unless you want to say something——

Mr. **JONES**. No, thank you.

The **CHAIRMAN**. Thanks to all of you. The meeting stands adjourned.

[Whereupon, at 4:15 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

PRESENTATION TO THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE
UNITED STATES CONGRESS

HONORABLE GLENN M. ANDERSON, CHAIRMAN
BY
THURBERT E. BAKER
STATE REPRESENTATIVE
DEKALB COUNTY, GEORGIA

CHAIRMAN ANDERSON, MEMBERS OF THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE, AS A MEMBER OF THE STATE HOUSE OF REPRESENTATIVES SERVING FROM DEKALB COUNTY WHICH IS WITHIN CONGRESSIONAL DISTRICTS 4 AND 5, I AM EXTREMELY PLEASED TO SHARE MY PERSPECTIVE ON INFRASTRUCTURAL NEEDS IN THE 4TH AND 5TH DISTRICTS. CONGRESSMEN BEN JONES AND JOHN LEWIS HAVE BEEN EFFECTIVE SPOKESMEN FOR THE 4TH AND 5TH DISTRICT AS WELL AS THE ENTIRE STATE AND WE APPRECIATE THEIR ACTIONS ON OUR BEHALF. MOST OF YOU PRESENT TODAY REALIZE THAT THE TREMENDOUS GROWTH EXPERIENCED IN GEORGIA AND SPECIFICALLY WITHIN THE METRO AREA, HAS STRAINED AN AGING INFRASTRUCTURE BEYOND OUR PRESENT ABILITY TO EFFECTIVELY MAINTAIN, REPAIR OR RENOVATE THE SYSTEM.

EACH OF US REALIZES THAT A SOUND INFRASTRUCTURE IS ESSENTIAL TO LONG-TERM ECONOMIC GROWTH. WE ALSO REALIZE THAT THE HEALTH OF OUR CITIZENS DEPENDS, IN PART, UPON WATER AND SANITATION FACILITIES WHILE OUR TRANSPORTATION SERVICES AND

HIGHWAY SYSTEMS CONTRIBUTE TO THE ECONOMIC AND SOCIAL WELL BEING OF OUR STATE AND CITIZENRY. I REALIZE THAT LOCAL GOVERNMENT LEFT TO RELY UPON ITS OWN SOURCES OF REVENUE CANNOT ADEQUATELY RESPOND TO THE DETERIORATING INFRASTRUCTURE WITHIN THE FORESEEABLE FUTURE. HOWEVER, A COOPERATIVE PARTNERSHIP BETWEEN FEDERAL, STATE AND LOCAL GOVERNMENTS, WITH PRIVATE BUSINESS AND CITIZENS, CAN ADDRESS THIS NEED. IF THE FEDERAL GOVERNMENT WOULD ALLOW STATE AND LOCAL GOVERNMENTS THE RIGHT TO OBTAIN LOW COST TAX-FREE FINANCING AND PROVIDE OTHER GRANT PROGRAMS, IF THE STATE WOULD PROVIDE INCREASED FUNDS FOR THE GEORGIA ENVIRONMENTAL FACILITIES LOAN FUND, PROVIDE STATE APPROPRIATIONS TO MAINTAIN AND EXPAND THE INFRASTRUCTURE AND PROVIDE SPECIAL WASTE FEES, AND IF LOCAL GOVERNMENT WOULD DEDICATE INCREASED AD VALOREM TAXES COMBINED WITH LOCAL USER FEES, THEN WE COULD REBUILD AND MAINTAIN OUR INFRASTRUCTURE.

NOW, ALLOW ME TO BE MORE SPECIFIC. I WILL BRIEFLY ADDRESS SEVERAL INFRASTRUCTURAL ISSUES WITHIN THE 4TH AND 5TH CONGRESSIONAL DISTRICTS THAT RELATE TO SOLID WASTE, WASTE WATER AND WATER SUPPLY. ADDITIONALLY, I WILL TOUCH UPON HAZARDOUS WASTE, HIGHWAY, MASS TRANSIT AND AVIATION.

- SOLID WASTE

DURING THE PAST SESSION, THE GENERAL ASSEMBLY PASSED THE REVISED SOLID WASTE MANAGEMENT ACT WHICH HOLDS PROMISE TO PROVIDE AN APPROACH TO THIS STATE'S SOLID WASTE DILEMMA. THE NEGOTIATIONS PROCESS, WRITTEN IN THE ACT, PROVIDES FOR A FACILITATOR TO SUPPORT RESOLUTION OF SITING DISAGREEMENTS BETWEEN GOVERNMENT, BUSINESS, AND CITIZEN GROUPS WHICH WILL HELP TO OVERCOME NIMBY (NOT IN MY BACK YARD). HOWEVER, LANDFILL SYSTEM IMPROVEMENTS IN GEORGIA WILL COST IN EXCESS OF $100,000,000. DEKALB COUNTY HAS APPROXIMATELY 24 MONTHS IN REMAINING PERMITTED CAPACITY AND REQUIRES A MINIMUM OF $1,110,000 FOR SOLID WASTE SYSTEM IMPROVEMENTS. ADDITIONALLY, FULTON, ROCKDALE AND NEWTON COUNTIES (4TH AND 5TH CONGRESSIONAL DISTRICTS, EXCLUDING DEKALB) WILL REQUIRE $3,860,000 IN IMPROVEMENTS WITH REMAINING CAPACITY RANGING FROM A LOW OF 9 MONTHS TO A HIGH OF 64 MONTHS IN ONE OF FULTON COUNTY'S FOUR SITES. THESE COST RELATE TO NEW SITE AND HORIZONTAL EXPANSION, VERTICAL SITE EXPANSION OR SITE UPGRADE. PRESENTLY THIS COST PROJECTION OF $100 MILLION IS ANSWERED BY $1.2 MILLION IN STATE GRANTS WITH NO FEDERAL SUPPORT. IT SHOULD BE NOTED THAT THE AVERAGE AMERICAN GENERATES OVER 3.5 POUNDS OF WASTE EACH DAY. IN GEORGIA, THE NUMBER IS 4 POUNDS, AND THAT NUMBER IS INCREASING.

- WATER SUPPLY

PRESENTLY, WE DO NOT HAVE AN ADEQUATE DATA BASE TO PROJECT STATE AND LOCAL COSTS TO REPLACE DETERIORATING OR INSUFFICIENT STORAGE AND DISTRIBUTION SYSTEMS. THE ISSUE OF SUPPLY HAS BEEN ADDRESSED, IN PART, THROUGH THE GROWTH STRATEGIES COMMISSION EFFORTS FOR WATER RESERVOIRS BUT THIS ACTION ONLY ADDRESSES NORTH GEORGIA. AS YOU MAY BE AWARE, THE INCREASED REQUIREMENTS FOR WATER FROM LAKE LANIER NEEDED TO SUPPLY THE METRO ATLANTA AREA HAS RAISED ECONOMIC, POLITICAL, AND ENVIRONMENTAL CONCERNS. IN FACT, ALABAMA AND FLORIDA HAVE ENTERED COURT LITIGATION TO PROHIBIT THE DIVERSION OF WATER FLOWING FROM GEORGIA TO THEIR STATES. THIS MATTER IS PRESENTLY IN NEGOTIATIONS WITH HOPE OF RESOLUTION OUTSIDE OF THE COURT. ADDITIONALLY, THERE IS A NEED OF UNDETERMINED EXPENSE, YET PREDICTABLY SIGNIFICANT, WHICH WILL REQUIRE INCREASING RATES, IN PART, TO MEET PURITY STANDARDS OR SOURCE CONTAMINATION, IF PRESENT.

- WASTE WATER

THE NEED FOR NEW AND PLANT EXPANSION, TRANSPORT SYSTEMS AND SEWER REHABILITATION COMBINED WITH SEWER OVERFLOW PROBLEMS WILL COST AT MINIMUM $670,380,560. RECIPIENT SELECTION FOR WASTE WATER PROJECTS THROUGH THE STATE WATER POLLUTION CONTROL REVOLVING FUND (SRF) HAS BEEN LIMITED BY THE AVAILABILITY OF ONLY $30 MILLION. IN FACT, GEORGIA ENVIRONMENTAL FACILITIES AUTHORITY HAS PROVIDED $10

TRAFFIC CONTROL SYSTEM. HOWEVER, IT IS EVIDENT THAT CONGESTION HAS RESULTED IN FLIGHT ACCIDENTS AND NEAR MISS DISASTERS. PEACHTREE-DEKALB AIRPORT IS PRESENTLY CONDUCTING A NOISE POLLUTION STUDY THROUGH A 90% FEDERAL GRANT. THE RESULT OF THE STUDY WILL DICTATE NEEDS. EXPANSION OR OTHER SUCH IMPROVEMENTS ARE NOT PRESENTLY UNDER CONSIDERATION, BUT NOISE ABATEMENT MAY REQUIRE CHANGES IN OPERATIONS OR FACILITIES.

HIGHWAYS

GEORGIA IS COMMITTED TO RURAL HIGHWAY DEVELOPMENT FOR ECONOMIC AND SOCIAL REASONS AND HAS DEVOTED DESIGNATED AND GENERAL FUNDS TO HIGHWAY AND ROAD CONSTRUCTION. WE ARE DESIGNING AN OUTER PERIMETER BEYOND I-285 AND WIDENING MAJOR HIGHWAYS THROUGH CONGESTED AREAS. THE EXPENSE IS SHARED BETWEEN FEDERAL, STATE AND LOCAL ENTITIES. HOWEVER, ANTIQUATED BRIDGES THROUGHOUT GEORGIA HAVE BEEN INSPECTED AND MANY DECLARED UNSAFE. THIS BRIDGE REPLACEMENT NEED WILL AGAIN BE AN EXPENSE ADDED TO THE ALREADY OVERBURDENED STATE AND LOCAL REVENUE RESOURCES. CONSIDER THESE INCREASED NEEDS DURING A SLOWING ECONOMY WHICH WILL CALL FOR A DECREASE OF APPROXIMATELY $300-400 MILLION IN THE PRESENT BUDGET (DUE TO OVERPROJECTION AND SLUGGISH ECONOMY) AND YOU CAN READILY RECOGNIZE WE ARE FACED WITH THE DOUBLE EDGED SWORD OF HAVING TO REDUCE THE BUDGET ON ONE HAND AND ON THE OTHER HAND, MEET

INFRASTRUCTURAL NEEDS THROUGH INCREASED FUNDING REQUIRED TO IMPROVE ECONOMIC CONDITIONS.

IN DEKALB COUNTY, WE MUST RAISE FUNDS FOR TRANSPORTATION IMPROVEMENTS. THIS MONEY IS NEEDED TO PURCHASE RIGHT-OF-WAYS AND RELOCATE UTILITIES. AGAIN, THE UNMET NEED FOR IMPROVED ROADS, TO ALLEVIATE AN INCREASINGLY CONGESTED TRAFFIC SITUATION, IS STEMMING ECONOMIC GROWTH AND CONTRIBUTING TO HIGHER LEVELS OF CITIZEN FRUSTRATION.

YES, WE NEED FEDERAL SUPPORT IN PARTNERSHIP WITH STATE, LOCAL, BUSINESS AND CITIZEN COOPERATION IF GEORGIA, AND THE 4TH AND 5TH CONGRESSIONAL DISTRICTS, ARE TO SUCCESSFULLY MEET THE INFRASTRUCTURAL NEEDS REQUIRED TO SUPPORT ECONOMIC GROWTH, IMPROVED HEALTH, SOCIAL AND POLITICAL WELL BEING.

THANK YOU AGAIN FOR INVITING ME TO SPEAK TO YOU. I WILL BE HAPPY TO FORWARD ADDITIONAL INFORMATION, SUPPORTED BY APPROPRIATE DATA IF DESIRED.

DEKALB
CHAMBER OF COMMERCE

Presentation to the Public Works and Transportation Committee

U.S. Congress

by Annie Hunt Burriss, Vice President - Economic Development

August 8, 1990

The DeKalb Chamber of Commerce commends your efforts to examine infrastructure needs of Georgia's Fourth District and how these needs will affect future economic growth in our region. Congressman Ben Jones has been an effective spokesman for his district, and we appreciate his actions on our behalf.

Water Supply and Quality

Time is of the essence in resolving the water supply crisis in the Atlanta area. With water conservation programs and normal rainfall, the Atlanta area will have an adequate supply until 1995 without additional water allocations.

The Atlanta Regional Commission has estimated that if more water is not made available, there will be 1 million less people and 680,000 less jobs in Georgia in the year 2010 than under ARC's current projections. Less people and less jobs translates into large losses in wages earned within the state and in gross revenue collected by the State of Georgia. ARC estimates $127 billion less in wages and a lost gross revenue to the State of Georgia of $8.2 billion (1986 dollars) between 1995 and 2010. More than 85 percent of this loss would occur in the Atlanta area.

We must have a regional approach to our water supply system. First, we should maximize the use of the area's existing reservoir by reallocating Lake Lanier for water supply purposes. We should support efforts to establish a regional reservoir system to provide for future water needs. And we must promote water conservation to more wisely use our water resources.

Assuring an adequate supply of water is not enough. We must also assure that the quality of the water is maintained for use in homes and businesses, in recreational areas for fishing and swimming, and in the wetlands and recharge areas.

Solid Waste

The average American generates over 3.5 pounds of waste each day. In Georgia the number is 4 pounds, and that number is increasing. This is over 1 pound per day more than the average German, who lives in an equally industrialized nation.

Reduction of waste must be encouraged, through recycling and creating less waste. Recycling markets must be strengthened to provide an outlet for the collected recyclable goods.

750 Commerce Drive, Suite 201 Decatur, Georgia 30030 U.S.A. Fax 404-378-3397 404-378-8000
ATLANTA'S LEADING EDGE

Alternate disposal methods to landfills should be examined and encouraged, including incineration and waste-to-energy facilities. Pricing of waste disposal should more realistically reflect its true cost, including the cost to the environment.

Transportation

Transportation demands within the Atlanta area are too complex to be served by a single solution---a balanced transportation system is needed to completely address transportation requirements.

Roads and highways continue to be an essential component of our transportation system. Many of DeKalb's roads are operating above capacity now, and growth in the next few years will increasingly tax these roads. According to the Georgia Department of Transportation, it is a county-wide problem, with Ashford-Dunwoody Road in the north, to Redan and Rockbridge Roads in the southeast.

High occupancy vehicle (HOV) lanes increase the people-carrying capacity of our highways. Carpools and vanpools can be used effectively in urban and rural areas to more effectively use our existing facilities. Encouraging flexible working hours will spread peak hour demands over a longer time period.

Mass transportation plays an important role in a balanced transportation system. DeKalb has supported the MARTA transit system since 1971, when DeKalb and Fulton counties became the first counties in the nation to voluntarily pay for a mass transit system. Voters passed a referendum approving a 1 percent local sales and use tax to fund MARTA.

We in DeKalb have benefitted greatly from MARTA. The 26,000 riders entering stations on the East Line in DeKalb County daily would otherwise be sitting in 26,000 cars in congested traffic on our streets. MARTA service has had a role in the increased investment in our county. The city of Decatur has a downtown MARTA station and the lowest office vacancy rates in metro Atlanta.

The public transit systems in Georgia operate over 1,200 transit vehicles in 11 counties. Support for their operation and expansion must continue. Commuter rail must be explored as a means to connect distant suburbs with the cities and their concentrations of jobs.

A balanced transportation system can be achieved by more realistic prices for gasoline, lessening the public subsidy of personal automobile travel, and by authorizing the expenditure of gas tax monies for all modes of surface transportation, not just roads and bridges.

As the nation becomes increasingly urban, serving the transportation needs of our urban areas becomes increasingly a national priority. The Atlanta area's transportation system serves not only the immediate Atlanta urban area. Parking lot surveys at MARTA stations show a large number license plates from counties outside the MARTA counties.

The construction of a second regional airport is of primary concern to the Atlanta region and the state as a whole. Our superb air transportation access has been a primary reason for our region's growth. We must begin soon on the construction of a second regional airport to adequately serve our business needs.

Thank you for this opportunity to speak on how important infrastructure is to our continued economic growth.

TESTIMONY PRESENTED

BEFORE THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

BY

J. DAVID CHESNUT
CHAIRMAN, DEKALB CHAMBER OF COMMERCE
MEMBER AND FORMER CHAIRMAN OF MARTA BOARD OF DIRECTORS
750 Commerce Drive
Decatur, Georgia 30030

AUGUST 8, 1990

WELCOME

My name is David Chesnut. I am Chairman of the DeKalb Chamber of Commerce. I am also a member and former Chairman of the Metropolitan Atlanta Rapid Transit Authority. On behalf of DeKalb County and MARTA, I want to welcome you, Mr. Chairman, and the members of the House Public Works and Transportation Committee to the 4th Congressional District. As we sit here in Rockdale County, we are at the eastern edge of the Atlanta Metropolitan Region. The growth in this metropolitan area is pressuring our infrastructure and our transportation facilities are especially strained. We are an integral part of the region's economic system and our future is inextricably linked with the rest of the Atlanta Region.

HISTORY AND OVERVIEW

Increasingly, the Atlanta Region is attracting greater numbers of guests from around the nation as well as from around the world. The City has become a Mecca for conventions and trade shows. We successfully hosted the National Democratic Convention and are scheduled to host the 1994 Superbowl. Atlanta is in close competition and, some say, leading the bid to host the 1996 Olympics. Atlanta is also in the running as the U.S. host for the 1994 World Cup Soccer competition. Many of our guests come for a visit and decide to stay and make their homes in the Atlanta Region. The Atlanta Metropolitan Area is one of the fastest growing regions in the nation.

The quality of life in our region has done much to attract the economic development that drives our growth. In many respects the quality of life is dependent on the adequacy of our infrastructure and rapid transit is considered a vital part of that infrastructure. Recognizing how vital mass transit is to the economic and social well being of this community, voters in the City of Atlanta and Fulton and DeKalb County approved a comprehensive public transportation plan in 1971. The document set forth plans for bus improvements as well as construction of a rapid rail transit system.

At that time the voters also imposed upon themselves a 1% local option sales tax to pay for these improvements and the new rail system. Additionally, that same year the transit system was awarded the largest single grant ever given to a new transit system by the Urban Mass Transportation Administration. This was the genesis of the Metropolitan Atlanta Rapid Transit Authority - MARTA. Through MARTA the citizens of the Atlanta region can document nearly two decades of commitment to local funding support for mass transit and to the local - federal partnership upon which our success so clearly rests.

MARTA is an independent single purpose agency created by the Georgia General Assembly to plan, build and operate public transportation in Metropolitan Atlanta. At the present time the System serves the three most populous jurisdictions in the Atlanta Region: the City of Atlanta, DeKalb County and Fulton County. (Very limited service also extends into Cobb, Clayton and Gwinnett Counties.) All of the 5th Congressional District is in the MARTA service district as well as a substantial portion of the 4th Congressional District.

Since 1971 MARTA has made numerous capital and service improvements involving the Bus System: new equipment; new Maintenance and operating garages; passenger shelters; new bus routes; improved frequencies; extended operating hours; improved schedule information; etc. In addition, MARTA has been aggressively implementing the rapid rail transit plan.

The present operating system includes 1,500 route miles of bus service, 32 miles of rapid rail lines and 29 passenger stations. Average weekday ridership equals approximately 495,000 trips. Annually, MARTA provides 45.5 million vehicle miles of bus and rail service to the citizens of the Atlanta Region. One hundred and fifty million passengers board the combined system annually and ridership increased by 3.5% during FY1990.

TRANSPORTATION INFRASTRUCTURE AND SERVICE

As with other forms of infrastructure, MARTA supports the needs of the community and strives to provide excellence in transportation service to all of our patrons. MARTA has integrated bus, rapid rail and special service vans to provide appropriate levels of service throughout its service area.

Service on the Bus System

MARTA became operational with the purchase of the Atlanta Transit System's buses and facilities in 1972. Since then the bus system has been critical in providing direct transit service for patrons throughout the Metropolitan Atlanta area as well as providing feeder bus service for the rail line as it has developed.

Our buses operate 30.0 million miles annually. There are 681 buses in MARTA's active bus fleet not including the 36 buses operating under contract to he Authority. There are 150 bus routes which together form an operating system of 1,543 route miles.

MARTA's safety record is unsurpassed by any other transit authority. In fact, MARTA has been declared the safest transit system in the United States eleven times and the safest in the North American continent four times in the past fifteen years.

Service on the Rail System

As approved by the voters in 1971 and as subsequently amended, the MARTA Rail Plan calls for 60 miles of heavy rail lines, 45 stations and 33,000 parking spaces. The proposed network includes two main trunk lines that intersect in the Atlanta Central Business District; four rail branches; one feeder rail line; and one busway (See Attachment #1).

MARTA has been building the rail system in phases, giving priority to those phases which promise the greatest return on investment or which are given priority for reasons of construction staging or operating efficiencies. MARTA has in service 32 miles of track, 29 stations and 17,000 parking spaces. All of Phases A and B (See Attachment #1) are in service as well as all of Phase C except the extension from Chamblee to Doraville.

MARTA has under development at the present time twelve miles of track and six stations. This includes the last part of Phase C -- two miles of track and the Doraville Station. This portion is 40% complete and is scheduled to open in December 1992.

The remainder of the MARTA System that is currently under development is Phase D which consists of ten miles of track and five stations. It includes three lines: 1) extension of the East Line from Avondale through Kensington to Indian Creek -- three miles of track and two stations; 2) construction of a branch feeder line in the Proctor Creek Corridor -- between the Ashby Street Station and Bankhead Highway -- one mile of track and one station; and 3) the North Line from Lindbergh Station to the Medical Center -- six miles of track and two stations. All of Phase D is under development -- detail design, land acquisition as well as construction. Revenue service to Bankhead is scheduled to begin in mid-1992; to Kensington and Indian Creek in mid-1993; and to Buckhead and the Medical Center in mid-1995.

The total current estimated cost of Phase D is $449.9 million, of which the Urban Mass Transportation Administration (UMTA) is providing $135 million or 34%. All federal funds are being applied to the East Line extension from Avondale to Indian Creek. The feeder line in the Proctor Creek corridor and the North Line to Medical

Center are being built with local funds.

When Phase D is completed in the mid-90's, MARTA's rail operating system will consist of 44 miles of track and 35 stations. UMTA is providing $1.5 billion or 53% of the $2.9 billion cost. The local share is $1.4 billion or 47% of the cost.

Service to the Elderly and Handicapped

MARTA has a long history of service to our patrons with special needs, our elderly and handicapped citizens. In 1976, the Elderly and Handicapped Committee was created and MARTA's commitment to providing lift buses and special services to this group of patrons was formalized.

Two years before the Americans with Disabilities Act was signed, MARTA - working with its E & H Committee - formulated and adopted the policy that 50% of the bus fleet would be fully accessible to the elderly and handicapped by 1992 and that 100% accessibility would be achieved by the year 2000. The rail system including all of the rail passenger stations are already completely accessible to these special patrons. Additionally, MARTA has contracted with a private company to provide limited scheduled and demand responsive lift van service for those special patrons who cannot avail themselves of the regularly scheduled transit operations.

Service through Intermodal Linkage

Service to our patrons is also enhanced by maximizing opportunities for intermodal linkages and interfacing with other systems. The system is designed to facilitate transfer between MARTA's bus and rail components.

An intermodal link also exists between intercity bus and the rapid rail system. The Greyhound Bus Terminal is within easy walking distance to MARTA. Plans are underway to improve this linkage by building a new terminal in conjunction with a MARTA rail station.

Undoubtedly MARTA's most successful intermodal linkage is represented by our airport rail station which is in the heart of the baggage/ground transportation area of Hartsfield International Airport.

When the Airport Rail Station opened in the summer of 1988, the average weekday patronage was 7,300. This station has seen a steady increase in patronage. In June 1990, average weekday patronage was 9,500 which is a 30% increase since the opening of the station.

Part of the airport station ridership increase comes from travelers residing outside of Georgia. Thus MARTA has become an intermodal extension to the Atlanta airport as it brings business people and tourists into the State of Georgia.

Service through Interface with Other Systems

In July 1989, MARTA entered into a reciprocal free transfer arrangement and cooperative operating plan with the new Cobb Community Transit (CCT) system. Under this agreement, individuals are allowed free transfers between MARTA and CCT services, and operating procedures were implemented for enhanced customer convenience.

The transit ridership level and regional mobility have clearly benefited from this agreement. CCT ridership has exceeded all expectations with the system's greatest usage route being on CCT local Route 10, connecting the City of Marietta and Cobb County's densely developed Cumberland/Galleria area with the MARTA Arts Center Station. Individuals travelling from Cobb County into the MARTA service area and vice versa have been well served by this connection as demonstrated by CCT Route 10 where 43.5 percent of the riders are Fulton and DeKalb residents travelling to destinations in Cobb County.

Transit Service and its Direct Benefits to the Economy and the Environment

MARTA's mission statement, A Standard of Excellence, has as one of its by products the attraction of riders to the transit system. Our striving for excellence not only benefits the regional economy but also has immediate positive impacts on the regional environment.

Many direct economic benefits accrue to the region as a result of MARTA's activities. MARTA employs more than 3,300 people full time and almost 500 part-time workers. The multiplier effect of the rail construction dollar is 3.5 times the direct investment which means that the $2.8

billion spent for rail development programs has contributed about $9.8 billion to the region's economy.

As growth and expansion continue, traffic congestion has become endemic to certain part of Metropolitan Atlanta. This local experience contributes to the fulfilling of the U. S. Department of Transportation projection that more than 7 billion gallons of fuel will be wasted because of traffic congestion by the year 2005.

Traffic congestion adds to the region's problem with air pollution. Motor vehicles contribute 40% - 60% of the hydrocarbons that produce our ozone and smog problem, and cause 70% - 80% of our carbon monoxide emissions. It is estimated that one person using mass transit for a year instead of driving to work saves our environment 9.1 pounds of hydrocarbons, 62.5 pounds of carbon monoxide and 4.9 pounds of nitrogen oxides.

In return for the region's support for MARTA, the Authority offers an alternative transportation mode which is energy efficient, reduces traffic congestion, and has a positive impact on the environment. Every bus full of passengers at rush hour removes 55 cars from our congested highways and every rail car removes 125 cars from traffic.

THE FUTURE OF TRANSIT IN THE ATLANTA REGION

MARTA stands on a record of successes in the provision of transit infrastructure to the citizens of our community. We are proud of the transit system being built in the Atlanta region and thankful for the community support and vision that established a dedicated source of local funds to support it. The service that MARTA has been able to provide to the citizens of Atlanta area as represented primarily in the 4th and 5th Congressional districts has been made possible by the strong local - federal partnership that the members of this committee have sustained. Continued federal financial support for alternative modes of transportation and sensitivity to the impact of federal mandates on local transit systems is vital to the future of transit in the Atlanta region.

As we approach our immediate future, MARTA's first priority and need is to complete the 60 mile rail system approved in the original 1971 referendum and subsequently amended. As we pursue this goal, we must also assess developments within the region to identify new corridors where mass transit is justified and needed. One of these corridors is the North Atlanta Corridor.

Extension of the North Rail Line

Congressional support has already been forthcoming for MARTA's North Line Extension which is needed to link the transit system currently serving the Atlanta region with the North Atlanta Corridor.

The Metropolitan Atlanta Region is one of the most robust urban areas in the United States. The current population is 2.2 million, up from 1.8 million in 1980; employment is 1.2 million, up from 881,000 in 1980. In 2010, the region's population will reach 3.7 million and employment 2.4 million.

The North Atlanta Corridor is the fastest growing corridor in the region. Property that was developed commercially ten to fifteen years ago is now being redeveloped to higher densities (See Attachment #2).

The 1980 Census reported a population of 147,619 for the North Atlanta Corridor, or eight percent of the seven-county region's total. Since 1980, the area has experienced a 61% increase in population to 237,000.

Employment has increased 119%, from 53,059 to 116,500. By the year 2010, population in the corridor will be 431,000; employment will be 270,000.

The central portion of the corridor is becoming a dense urban center which will soon rival downtown Atlanta. Sixteen million square feet of commercial space exist now or are under development in the central portion of the corridor. Just north of the core another 30 million square feet of space exist or will be developed. This accelerated growth has resulted in significant traffic congestion and delays. At the same time, there is an increasing demand for public transportation to transport workers from the central city to jobs in the corridor.

Thus the MARTA North Line is the next logical phase of MARTA development. The line (See Attachment #1) branches off the Northeast Line in the vicinity of Lenox Square, one of the largest regional shopping centers in the metropolitan area. Two stations and 5.7 miles of heavy rail will be built in conjunction with a major highway improvement (GA 400). The rail line from Buckhead to Medical Center, estimated to cost $230 million, will be fully financed with local funds. Construction is already underway.

Extending public transit improvements further into the North Atlanta Corridor is considered by Atlanta region officials to be a matter of top priority. It is a corridor of rapidly expanding job opportunities with major arterials and feeder streets operating at, or above, theoretical capacity levels. Moreover, public transportation improvements are needed in order to adequately serve patrons who have no other means of travelling to and from this job-rich corridor.

The Draft Environmental Impact Statement has been submitted to UMTA and MARTA is anticipating approval for preliminary engineering work in late August.

The current estimated cost of the project -- Medical Center to North Springs -- is $499.9 million. This estimate does not include the cost of preliminary engineering but does include funds to purchase additional rail vehicles.

MARTA expects to request a federal financial commitment to the project of $374.9 million including $52.5 million earmarked last year by congress. While this represents 75% of the cost of the extension, it represents only 53% of the cost of the total 8.8 mile, five station North Line.

The addition of the North Line to the MARTA Rail System will provide substantial benefits in terms of increased ridership, especially reverse commuting from areas of high unemployment in the central city to job-rich suburban employment centers. In addition, further reductions in per passenger operating costs are expected along with improved travel time savings and positive impacts on commercial and retail development.

Other Corridor Possibilities for Future Growth

Development and growth within the region has shown other corridors to be prime candidates for future transit service. In 1989, the Atlanta Regional Commission (ARC) completed a study of potential new transit corridors to serve the growing metropolitan Atlanta suburban market. One of the corridors recommended for further study was the I-285 corridor from the current East Rail Line extending northward, parallel to the freeway, to the North Rail Line in the Perimeter Center area. This cross regional line would serve well in attracting new riders from central, south and east DeKalb to areas like Northlake and Perimeter, and would also feed existing radial lines to downtown, Lenox and the airport.

The design features, patronage and cost results of the ARC study are now being subjected to a more detailed analysis by the MARTA staff. The ARC study also recommended that other corridors including some which are currently outside the MARTA service area be considered for their rail transit potential. They are the Perimeter Center to Cumberland Mall Corridor, the Marietta to Arts Center Corridor in downtown Atlanta, and the I-85 Corridor northeast of Atlanta. Refinements to these corridor studies are being coordinated between ARC and MARTA.

Commuter Rail Service Possibilities

One possible future use of MARTA is as the central distributor in the urbanized area for an Atlanta regional commuter rail system. MARTA's rail transit network in Atlanta and Atlanta's unique geographical and historical position in the region make such a merger of rail services particularly appealing.

Atlanta is the transportation hub of the southeast. Eleven rail lines radiate from the central city into the suburbs (See Attachment #3). Preliminary studies indicate that two transfer terminals (probably near Five Points Station and Lindbergh Station) would be necessary to join the rapid rail system to the commuter rail system. For commuter rail, MARTA would thus become the distributor. Each service would enhance the other with the whole becoming greater that the parts.

There is some feeling that further widening of the Atlanta freeway system is impractical. Commuter rail doing what it does best - that is, moving lots of people during rush hour - will possibly save our freeway system from early obsolescence. More importantly, commuter rail would help guide future growth, mitigate the problems of urban sprawl and provide a great opportunity to tie 34 counties and a population of 3 - 4 million into a regional whole.

Indications are that a new-start commuter rail service with the right mix of modern equipment, simplified fare structure and the MARTA distributor would be a cost effective approach to regional transportation. The tracks are already there and it makes sense to use them.

As Metropolitan Atlanta grows, we need to reach out into the extremities of the region using existing rail corridors, trackage and rights-of-way and tie those areas into MARTA as a regional transit system.

Increased Costs of the ADA

Congress has passed and the President signed the Americans with Disabilities Act, a landmark civil rights act for our disabled citizens. Although we applaud the equity expressed within this legislation, as a representative of a public transit agency, we must ask: Where are the funds to implement this legislation? Its requirements are tied to the provision of service and without additional government support the cost of this service may add a restraining burden on public transit systems such as MARTA. We feel our responsibilities to this special group of patrons keenly, but the regulations that will be forthcoming on the service levels mandated in the ADA may require greater financial resources at a time when most transit systems have increasingly fewer resources.

Increased Cost of the Clean Air Act

A similar situation exists for transit in regards to the Clean Air Act which is presently before a Congressional Conference Committee. As earlier stated, transit is beneficial to the environment and MARTA supports the efforts of government to insure clean air for citizens in nonattainment areas such as the Atlanta region. However, it is critical that efforts to regulate the emission standards in our urban bus fleets not be counter productive.

When emission standards and alternative fuel definitions are mandated, the costs of such mandates must be carefully weighed. Mandates that result in increased costs to transit systems will drive up fares or require reductions in service that will make mass transit less attractive. This will increase the numbers of vehicles on the road and aggravate the ozone problem in the Metropolitan Atlanta area. Of the harmful pollutants being emitted in the Atlanta area, 63% of the nitrogen oxides and 70% of the man-made organics come from vehicles. Traffic congestion adds to the problem because emissions from an idling vehicle are worse than from a moving vehicle.

MARTA encourages the House in the setting of emission standards and not in mandating a technology-specific approach to such standards. Specifically, the definition of clean fuel should allow for the use of clean diesel buses and an equitable phase-in schedule should be assessed to minimize the costs to urban transit providers.

Concerns with Reauthorization

The final concern to be brought to this committee is one that deals with the Reauthorization Act. A level playing field was established through the Surface Transportation Assistance Act of 1982 (STAA) which established the federal government's role in the area of public transit. The STAA did two things to establish a level playing field:

1. provided that 1 cent of the federal motor fuel tax be dedicated to transit and thereby ended the vastly unequal competition for funds between transit and the highway interests; and

2. established that Section 3 discretionary funds be apportioned on the 40-40-10-10 percentage basis. Forty percent going to meet the needs of the eight older cities for rail modernization, 40% to the 12 - 15 new start cities for capital construction, 10% to the bus systems for major bus improvements, and 10% for discretionary allocation to the other three categories.

This level playing field has worked well for MARTA and the Atlanta region's transit needs. While some minor adjustments in the reauthorization may prove necessary, major changes should be made sparingly.

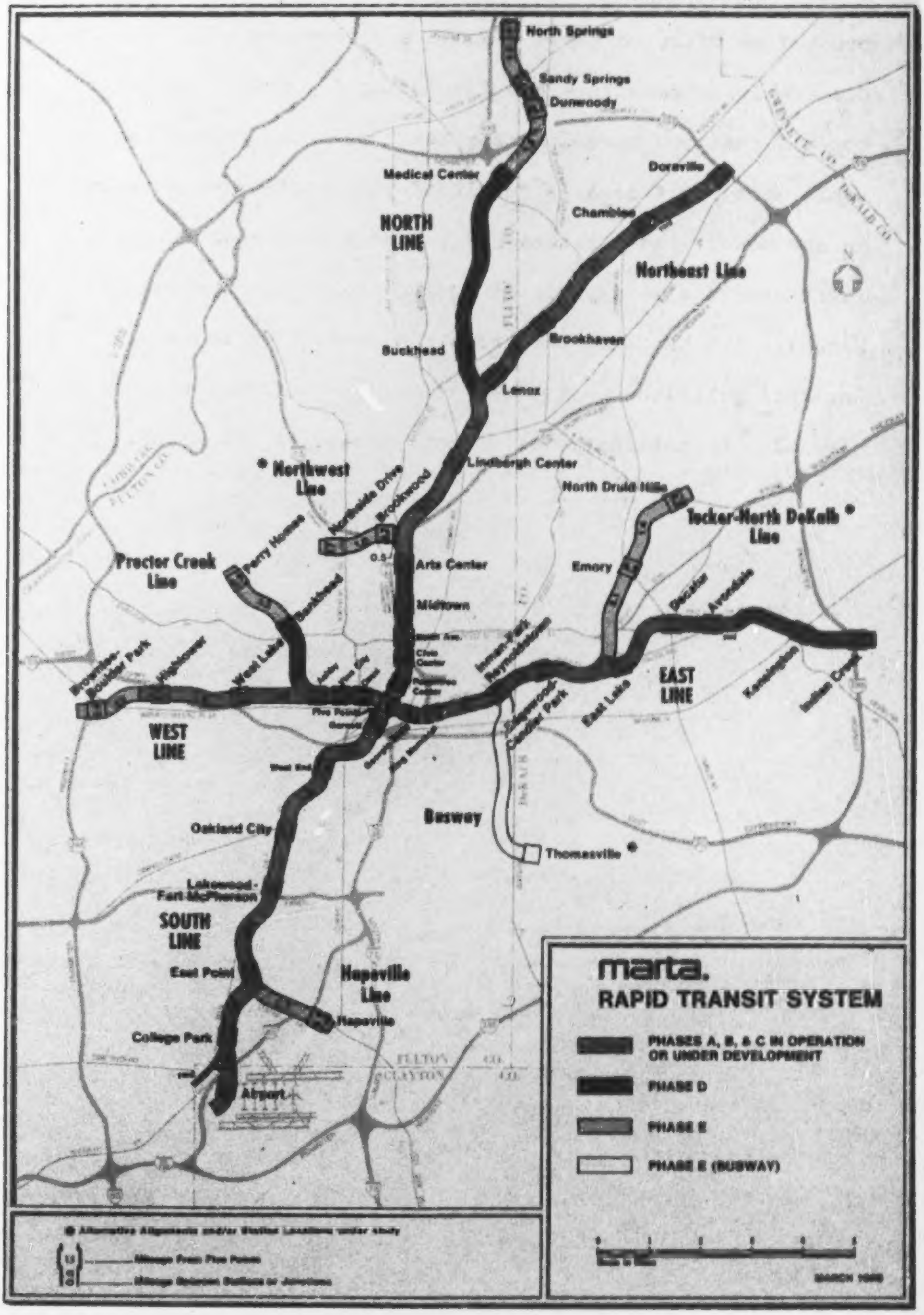
As the reauthorization process proceeds, MARTA would be grateful to the Committee if it would accept additional written material pertaining to the effect of the Reauthorization Bill on transit in the Atlanta region.

CLOSING

MARTA with its buses and rail system is a vital resource to the economic and physical well-being of the Atlanta region. Rapid transit is an important element of the area's transportation infrastructure.

I want to thank you for giving me the opportunity to present my views on rapid transit and commuter rail to this distinguished committee and in closing I want to thank you for all that you have done for MARTA over the years. In no small measure it is as a result of your continuing efforts on our behalf that Atlanta has become a city whose transit infrastructure is capable of moving 150 million passengers annually and handling the transit demands of a major national political party convention, a superbowl, and, possibly, an international Olympic games. I thank you.

Attachment #1


North Springs
Sandy Springs
Dunwoody
Medical Center
Doraville
Chamblee
NORTH LINE
Northeast Line
Buckhead
Brookhaven
Lenox
Lindbergh Center
North Druid Hills
Northwest Line
Northside Drive
Brookwood
Perry Homes
Proctor Creek Line
Tucker-North DeKalb Line
0.5
Arts Center
Emory
Bankhead
Midtown
Decatur
Avondale
North Ave.
Inman Park Reynoldstown
Civic Center
Peachtree Center
Bowen-Boulder Park
Hightower
West Lake
EAST LINE
Kensington
Indian Creek
Five Points
Garnett
Edgewood-Candler Park
East Lake
WEST LINE
West End
Busway
Oakland City
Thomasville
Lakewood-Fort McPherson
SOUTH LINE
East Point
Hapeville Line
Hapeville
College Park
Airport
FULTON CO.
CLAYTON CO.
marta.
RAPID TRANSIT SYSTEM
PHASES A, B, & C IN OPERATION OR UNDER DEVELOPMENT
PHASE D
PHASE E
PHASE E (BUSWAY)
Alternative Alignments and/or Station Locations under study
Mileage From Five Points
Mileage Between Stations or Junctions
0
1
2
3
4
5
MARCH

ATTACHMENT #2

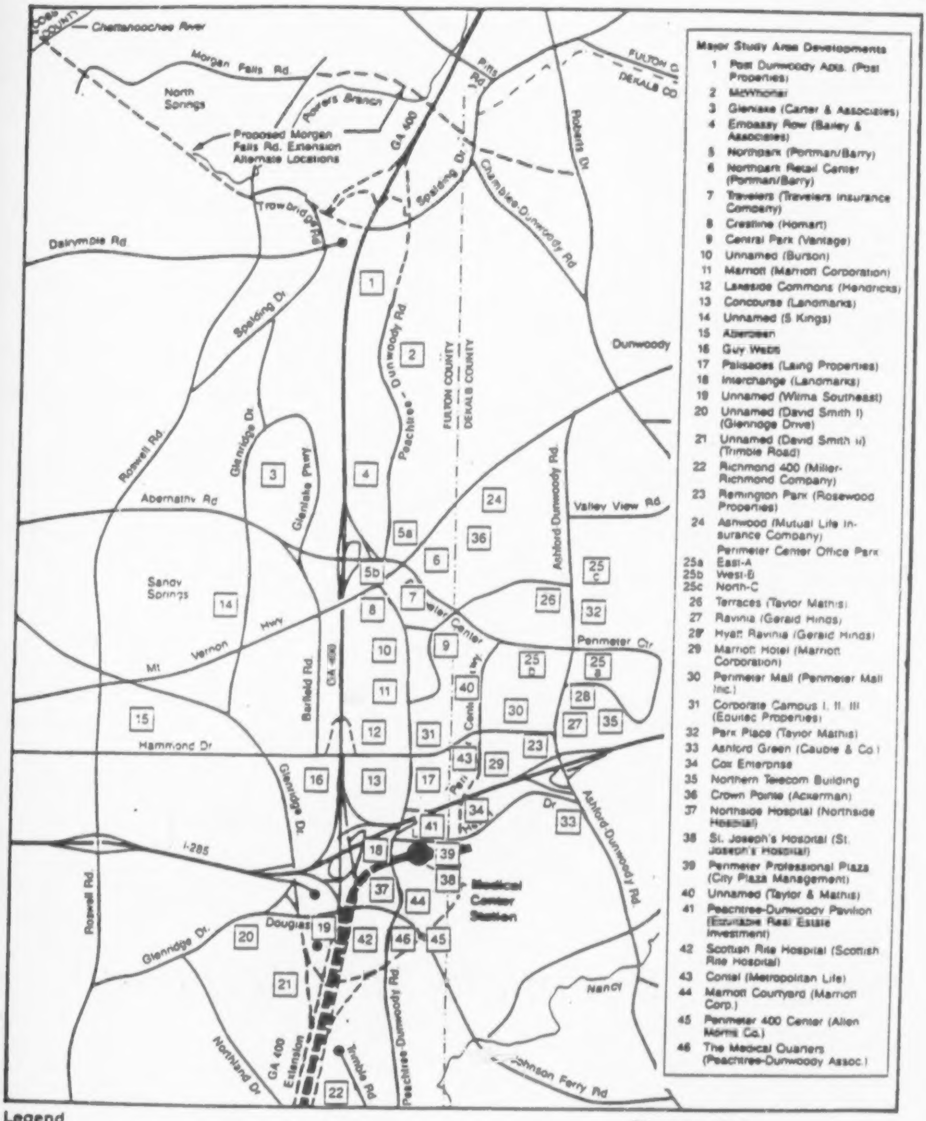
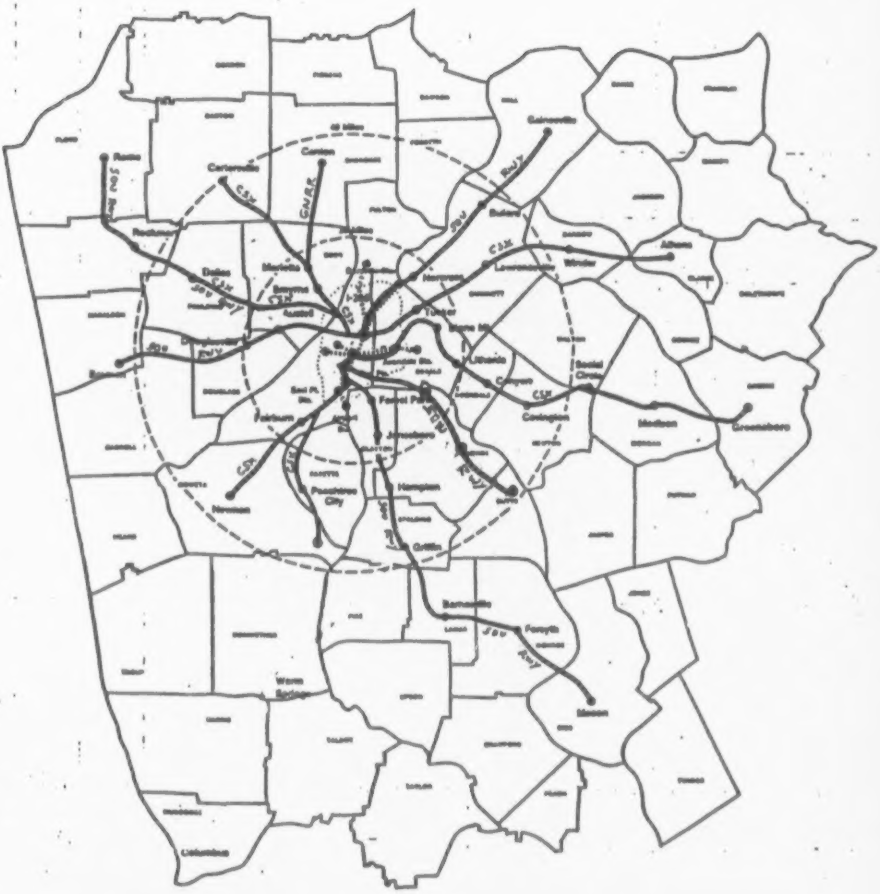

Cobb County
Chattahoochee River
Morgan Falls Rd
North Springs
Powers Branch
Proposed Morgan Falls Rd. Extension Alternate Locations
GA 400
Pitts Rd
Fulton Co
DeKalb Co
Roberts Dr
Spalding Dr
Chamblee-Dunwoody Rd
Trowbridge Rd
Dalrymple Rd
Peachtree-Dunwoody Rd
Fulton County
DeKalb County
Dunwoody
Roswell Rd
Glenridge Dr
Glenlake Pkwy
Abernathy Rd
Valley View Rd
Ashford Dunwoody Rd.
Sandy Springs
Mt Vernon Hwy
Barfield Rd
GA 400
Perimeter Ctr
Perimeter Center Pkwy
Hammond Dr
I-285
Medical Center Station
Douglas
Glenridge Dr.
Nancy
Johnson Ferry Rd
Northland Dr
GA 400 Extension
Trimble Rd
Peachtree-Dunwoody Rd
Major Study Area Developments
1 Post Dunwoody Apts. (Post Properties)
2 McWhorter
3 Glenlake (Carter & Associates)
4 Embassy Row (Bailey & Associates)
5 Northpark (Portman/Barry)
6 Northpark Retail Center (Portman/Barry)
7 Travelers (Travelers Insurance Company)
8 Crestline (Homart)
9 Central Park (Vantage)
10 Unnamed (Burson)
11 Marriott (Marriott Corporation)
12 Lakeside Commons (Hendricks)
13 Concourse (Landmarks)
14 Unnamed (5 Kings)
15 Aberdeen
16 Guy Webb
17 Palisades (Laing Properties)
18 Interchange (Landmarks)
19 Unnamed (Wilma Southeast)
20 Unnamed (David Smith I) (Glenridge Drive)
21 Unnamed (David Smith II) (Trimble Road)
22 Richmond 400 (Miller-Richmond Company)
23 Remington Park (Rosewood Properties)
24 Ashwood (Mutual Life Insurance Company)
Perimeter Center Office Park
25a East-A
25b West-B
25c North-C
26 Terraces (Taylor Mathis)
27 Ravinia (Gerald Hinds)
28 Hyatt Ravinia (Gerald Hinds)
29 Marriott Hotel (Marriott Corporation)
30 Perimeter Mall (Perimeter Mall Inc.)
31 Corporate Campus I, II, III (Equitec Properties)
32 Park Place (Taylor Mathis)
33 Ashford Green (Caudle & Co.)
34 Cox Enterprise
35 Northern Telecom Building
36 Crown Pointe (Ackerman)
37 Northside Hospital (Northside Hospital)
38 St. Joseph's Hospital (St. Joseph's Hospital)
39 Perimeter Professional Plaza (City Plaza Management)
40 Unnamed (Taylor & Mathis)
41 Peachtree-Dunwoody Pavilion (Equitable Real Estate Investment)
42 Scottish Rite Hospital (Scottish Rite Hospital)
43 Contel (Metropolitan Life)
44 Marriott Courtyard (Marriott Corp.)
45 Perimeter 400 Center (Allen Morris Co.)
46 The Medical Quarters (Peachtree-Dunwoody Assoc.)
Legend
---- Proposed Roadway Improvements
▬ ▬ MARTA Rail Service
0 ¼ ½ ¾ 1 mile
N

Figure 5.2

Major Development in North Atlanta Corridor

ATTACHMENT #3


40 Miles
Rome
Cartersville
Canton
Gainesville
Buford
Rockmart
Dallas
Marietta
Smyrna
Norcross
Lawrenceville
Winder
Athens
Tucker
Lithonia
Conyers
Covington
Social Circle
Madison
Greensboro
Douglasville
Bremen
Fairburn
Forest Park
Jonesboro
Newnan
Peachtree City
Hampton
Griffin
Barnesville
Forsyth
Macon
Warm Springs
Columbus
SOU RWY
CSX
GNRR

Possible Commuter Rail Corridors

Testimony to the
House Committee on Public Works and Transportation

By Harry West

Executive Director of the Atlanta Regional Commission

August 6, 1990

I would like to thank Congressman Ben Jones for this opportunity to brief the House Committee on Public Works and Transportation about the Atlanta Region's future infrastructure challenges.

The Atlanta Region's population current population of 2.4 million grew by one third in the 1980s and is expected to add another 60 percent to reach 3.7 million by the year 2010. Similarly, the Region added 50 percent more jobs during the last decade and is expected to gain yet another 60 percent to total more than 2.3 million jobs in 2010.

More people will drink more water, drive more cars, and throw away more garbage. Simply speaking, we have our work cut out for us as we strive to provide sufficient services for this growing population.

The growth projections that I have mentioned assume that at least one major challenge confronting the Region today will be resolved. That is...the issue of an adequate current and future water supply. Without water, you can reduce expected growth in the Atlanta Region by about 80 percent after 1995.

In other words, without an adequate water supply, the eight regional counties may lose more than 800,000 people and 500,000 jobs compared with the growth forecast between 1995 and 2010.

Yes, water is the most critical issue facing this Region. And yes, we need your help and support. Without Congressional authorization - reallocation of Lake Lanier - the recommended alternative for this Region's future water supply, cannot be achieved. Without a future water supply, the Atlanta Region, and to some degree the State of Georgia, is in serious economic jeopardy.

The Region also faces tremendously expensive wastewater treatment challenges. The Atlanta area forms the headwaters of several streams, but contains few major streams. There are just not many streams with sufficient flow to adequately assimilate treated wastewater. As the cost of land rises, so does the expense of potential land treatment alternatives.

ARC is currently conducting a Wastewater Treatment Study for several of our local governments to identify alternatives to meet some of their wastewater treatment challenges. The challenge of meeting all of the Region's wastewater treatment needs - including new and upgraded treatment plants to meet increasingly stricter discharge standards; control of stormwater runoff pollution and the cleaning up of combined-sewer overflows - is one that we need your help on. As a start, your support of these efforts as outlined in the Water Resources Bill would be greatly appreciated.

At the same time, the Region's leaders are working to clean up the Chattahoochee River through regional phosphate bans and stricter new state water quality laws. All told, ARC estimates that local governments will be required to spend more than one billion dollars over the next 20 years to address wastewater treatment challenges.

Through our regional transportation planning efforts over the past 20 years, we have successfully expanded and reconstructed our freeway system and are now operating over 30 miles of heavy rail transit and an extensive bus network. Yet several challenges remain. We must meet the growing need for adequate suburb-to suburb transportation facilities and services while at the same time easing the congestion in our Region's suburban activity centers. We must continue our efforts to implement the long-recognized need for some form of transit in all of the Region's eight counties.

There is a clear need for the Federal government to play a strong role in the transportation improvement process in order to assure the nation's continued economic vitality.

A final transportation issue of great concern to the Atlanta Region is the need to maintain an adequate and safe air transportation system. ARC is currently conducting a study to determine an appropriate site of a second major air carrier airport for the Atlanta Region. This facility would serve to relieve Hartsfield Atlanta International Airport of some of its origin and destination traffic - helping to maintain its efficiency and dominance as a major, international hub in the nation's air traffic system.

Many other challenges face our Region such as solid waste disposal and adequate housing. Recognizing the limited time I have to address the Committee today, I will not go into detail about our work in these areas, but I assure you we are involved in efforts to address these needs.

In closing, I would like to stress that the most critical issue facing this Region, and our top priority, is the need to secure a reliable, long-term water supply for this Region. The people of the Atlanta Region and of Georgia are counting on you to help. Please don't let us down.

Thank you very much for this opportunity. We look forward to your support.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

THURSDAY, AUGUST 30, 1990

House of Representatives,
Committee on Public Works and Transportation,
Tulsa, OK.

The committee met, pursuant to call, at 4:45 p.m., in the Francis F. Campbell City Council Room, Tulsa, Oklahoma, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Laughlin, Hammerschmidt, Inhofe and Hancock.

The Chairman. The meeting of the committee will come to order.

Good afternoon. The Committee on Public Works and Transportation Hearing on the Future of our Nation's Infrastructure Needs will come to order. I want to welcome you here today and to thank you for taking time from your busy schedules to share your thoughts with us about this important issue.

Earlier this year, our Committee initiated a series of events designed to give us a better understanding of our Nation's infrastructure crisis. At our first event in Washington, we looked at the infrastructure needs from a national point of view. Our second and third events focused on the impact of infrastructure on our ability to compete in international markets. And future hearings will examine infrastructure financing alternatives and new technologies.

It is important, however, for us to get a good look at the infrastructure problems encountered at the local level. Our meeting here today in Tulsa is another in a series at various sites around the Nation to review infrastructure needs with the people most directly involved and to hear a broad range of ideas to help resolve the problems.

It is a great pleasure to join Jim Inhofe for this hearing, and I want to thank him and the people of the 1st District for their gracious hospitality. Congressman Inhofe is a valued member of the Public Works Committee. As one of the few licensed pilots on the Aviation Subcommittee, Jim is regarded as one of the resident aviation experts of the Subcommittee, as well as on the full Committee level. Because of his thorough understanding of aviation and, in particular, the needs of the general aviation community, the Committee has been better able to respond to issues affecting the general aviator in such areas as VFR corridors, mode C and auxiliary flight service stations. In addition to his act of participation in general aviation issues, Jim has also been active on such topics as foreign repair stations, joint use and taking the aviation trust fund off the budget. In fact, it was Jim's investigation into foreign repair stations that helped stop the further expansion of their use for United States registered aircraft.

However, Jim has not limited his activities on the Committee to just aviation issues. As a member of the Water Resources Subcommittee, Jim inserted report language in the Oil Spill Bill which brought attention to an incident that happened here in Tulsa involving hazardous materials in an oil pipeline system. And Jim's language instructed the Secretary of Transportation to study the issue and recommend any legislative changes which would strengthen our pipeline laws, thereby protecting the environment and our refinery workers, as well as our pipeline system. As the result of his efforts, the Secretary has informed the Committee that no further legislation is needed at this point. However, he did acknowledge that a greater emphasis on enforcement of the current statute is needed and has pledged to do so.

I would also like to welcome Congressman John Paul Hammerschmidt, the Committee's ranking Republican member, as well as my good friend and one of the rural leaders in the Congress on the infrastructure issue.

Also joining us is Congressman Greg Laughlin, a fellow Democrat and representative of the 14th District of Texas, where we also had an infrastructure hearing. In less than two years as a member, Greg has left his mark on Washington and in Texas and throughout the country. He has been a tremendous asset to the Congress and to our Committee, and we should all be pleased that he is here with us today.

And also with us is Congressman Mel Hancock, who is here from Missouri and brings us to a very thorough working knowledge of the political process and a special interest in public works issues. Tomorrow morning, we will be in Mel's district for a similar hearing.

I appreciate everyone's presence here this morning. As we all know, when we talk about infrastructure, we are talking about the very cornerstone of our cities and rural communities. It may not be an exciting subject, but it is infrastructure that provides the foundation for a sound economy and is the very heart of the standard of living and quality of life that Americans enjoy.

From our previous hearings, we know that not only do many pipeline problems exist with our public works facilities, but we have been shortchanging our public works investments for more than 20 years. The question we ask today is, what about Oklahoma's infrastructure? How adequate is its network of public facilities—roads, bridges, public buildings, sewers, waste water treatment facilities, water supply facilities, dams and other public works—to meet current needs? Now, in addressing this issue, we should all keep in mind that economic research in recent years has tied the level of public spending on infrastructure to the productivity rate in the private sector. The United States' productivity growth rate fell from 1.8 percent annually in the 1960's to .07 percent in the early 1980's. And during that same period the annual growth rate of investment in infrastructure fell from four and one-half percent to less than half to .8 percent.

Productivity in our country is growing much more slowly than in other developed countries, such as Japan, West Germany, Canada, France, Italy and the United Kingdom, some of which, incidentally, invest almost two to five times as much in their public works as does the United States.

And today we look to you to help us gain further insight into your infrastructure needs and to continue our debate on how to deal with the current and anticipated needs of our public works. I now would like to recognize other members for any opening remarks they may wish to make. And let me first recognize Congressman John Paul Hammerschmidt, and then Congressman Laughlin, and then Congressman Hancock, in that order, concluding with our host, Congressman Inhofe. So, John Paul, you are first.

Mr. **Hammerschmidt**. Thank you very much, Mr. Chairman. Of course, it is indeed a pleasure to be here in Tulsa for this important hearing, and I join you in thanking Jim Inhofe and the citizens of the 1st District for their warm hospitality that they have afforded us. I would also like to acknowledge the presence of and welcome our colleagues Mel Hancock from the 7th District of Missouri and Greg Laughlin from the 14th District of Texas, whose participation in this hearing is greatly appreciated.

You know, the people of Tulsa and the 1st District are certainly fortunate in having Jim representing their interests in Congress. As you noted, Mr. Chairman, Jim's expertise in aviation matters, particularly those issues involving the general aviation community, has been invaluable to the Committee.

And recently, Jim's leadership was instrumental in bringing to the attention of the U.S. Department of Transportation a serious discrepancy between drug testing rules imposed upon employees at domestic repair stations and those imposed at foreign repair stations. Jim's persistence resulted in a commitment from Secretary Skinner to include the implementation of drug testing or equivalent measures at foreign stations as a primary consideration in the awarding of station certification. Thus, standards similar to those imposed upon repair station workers here in Tulsa and across the country will also have to be met abroad.

Jim's leadership and concern for his constituents have been evident in other ways as well. As you noted, Mr. Chairman, Jim has been active in the areas of pipeline safety and water resources. And Jim's diligence led to the inclusion of a $300,000 study in the Energy and Water Appropriations Bill for the rehabilitation needs of Tulsa's vital aging levee system. We were out there looking at that this afternoon, Jim. In my district in Arkansas, I have experienced first hand the devastation that flooding can bring upon both the public and the local economy. So, I am all too aware of the importance of flood control, and I can certainly appreciate your diligent and hard fought efforts over those levees, Jim.

As a ranking member of the full Committee, it has been a pleasure to work with Jim. I look forward to continuing to work with him on a variety of major issues, including the challenges of meeting this country's infrastructure needs.

Today, we will be hearing from the mayor of Tulsa and other local and agency officials about the infrastructure needs of the Tulsa area and how those needs might best be met. Hopefully, what we learn from these and other hearings will guide us as we attempt to formulate effective and fiscally responsible infrastructure policies for the future and for this nation.

Mr. Chairman, I join you in welcoming the witnesses who have taken the time from their busy schedule to appear before us today. I look forward to hearing their perspectives on how to meet the challenge of rebuilding our nation's infrastructure.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, John Paul.

Congressman Greg Laughlin of Texas.

Mr. LAUGHLIN. Thank you, Mr. Chairman. I too want to join the other members of our Committee in saying what a pleasure it is to join our colleague, Congressman Jim Inhofe in his home district. Jim is more than a colleague to me. He is my good friend and neighbor in the office building, and it is a rare day that I am in Washington, DC that I do not see Jim Inhofe because he offices right around the corner from me.

We are on Public Works & Transportation together. And for a year and a half, I wondered why Jim Inhofe was on the Merchant Marine and Fisheries Committee. I come from a large rural district with six counties on the Gulf of Mexico, so with the fishing industry and with the Gulf intercoastal waterway system of 180 miles, it made a great deal of sense for me to be on that committee. But I knew Jim was from Tulsa. And for the life of me, I did not know where Tulsa fit on a major water system—the Gulf of Mexico or Atlantic or Pacific Ocean. And I knew from my geography it was not on the Mississippi River. But after our tour of the port today, I am very acutely aware of why it is necessary for Jim to adequately represent his district. I have been in the port of Houston and the ports in my district, and I was impressed with the facility. And I know that that facility enhances the economic welfare and development of Jim's district because of his membership on that important committee.

And I have valued his advice and experience as we have worked together on the Aviation Committee. And Jim, I remember several times on special orders that you and I have worked on behalf of American Airlines. I knew that it was important in your district, and I have learned from the President of American Airlines, Bob Crandall, how important his facility is in your district. And it has been a pleasure because American Airlines neither stops in my district nor does American Airlines have any employees in my district; although it is headquartered in my state.

So, it is a pleasure being with you here in your home, and I look forward to hearing from the witnesses and thank you very much for being gracious to invite us to learn more about your district and the needs of your state.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Greg.

Congressman Mel Hancock from Missouri.

Mr. HANCOCK. Thank you very much, Mr. Chairman. In the interest of time, I want to just mention one item, and that is that my district, the southwestern part of Missouri, is adjacent to this district. And Congressman Hammerschmidt's district is the western part of Arkansas, our three districts make up the tri-state area of

Arkansas, Oklahoma and Missouri. I have felt for quite some time that that area is kind of an economic entity. And I am extremely well pleased that this hearing is being conducted.

As you mentioned, Mr. Chairman, we go to southwest Missouri tomorrow. A week from Saturday, you are holding a full Committee hearing in Springdale, Arkansas, which is John Paul Hammerschmidt's district. And under those circumstances, I think that you, Mr. Chairman, will be able to take a real good view of this tri-state area back to Washington.

This is the bread basket of the world—this area down through here. And I know that there are problems that exist on the east and west coast, but we want to make sure that those people get fed properly. And you know, they need our beef and they need a lot of other things from this area.

So, it is a pleasure for me to be here and support Jim. Jim—you know, actually—I am going to say this. I had some people agree to quit introducing me as the oldest freshman congressman. But, I will make that statement. I am the oldest freshman congressman, and Jim has been very helpful in orienting me in Washington to kind of the ways of Washington. I am still in a learning mode.

Thank you very much. Thanks for having me down, Jim. Thank you, Mr. Chairman, for holding this hearing.

The CHAIRMAN. Thank you, Mel.

And now your Congressman, Congressman Jim Inhofe.

Mr. INHOFE. Thank you, Mr. Chairman, first of all, and everyone else. I am probably the most appreciative person here because I believe—we have checked and found that the Public Works and Transportation Committee has never had a committee meeting—a hearing in Tulsa, Oklahoma. And so, quite often, when we—issues come up in Congress and we talk about problems that we have and we talk about the navigation way, Congressman Laughlin. Until you have been here and you see it, you do not really have a perspective. You do not really understand it. And I think now that we have the leadership of the Public Works and Transportation Committee here and our Chairman, Chairman Anderson, being so kind as to hold this hearing here, it is probably more meaningful to me than anything that has happened since I have been in Congress.

It is appropriate we have it here in this room. This is the room, Mayor Randle, where I was Mayor for three terms. And while I sat in the chair that the Chairman is in right now, that—it brings back old memories. And I think that it also reminds us, when I see Bill Moyer out here—Bill Moyer, Mr. Chairman, is the Executive Director of the Oklahoma Municipal League, which I believe you have some 370 member cities, is that not right, Bill?

Mr. MOYER. [Nodding head affirmatively.]

Mr. INHOFE. Now, it has been kind of a misconception in Congress for a number of years that the problems—the infrastructure problems are confined to the highly industrialized older areas. And that was true up until a couple of decades ago. When I became mayor of Tulsa, we found out that we had not been addressing our infrastructure needs for quite some time. And back in the late 70's, we had a city that was somewhat rotting out from under us. And so, this was happening not just here in Tulsa, Oklahoma, but throughout the frontier states throughout America. And I think now that many of the older industrial states and cities are now in better shape than we are out here. And I think we are going to hear from people such as Neil McCaleb or Travis Freeman, who will be addressing some of the problems that we have that would have been very unusual to talk about some 20 years ago.

Today, we had a chance to go out and see the—as Congressman Hammerschmidt mentioned—our decaying system of levees. The levee system was put in 1945, Mr. Chairman, 20 miles of levees. And it is deteriorating to the point where it is a major infrastructural need in the United States. Out at the—when we took our tour of the airport, we were able to see a lot of the needs of the airport; but it was something that was not visible. That is a problem that we have that is somewhat unique, and that is, in the formula that is used in the AIP, they use revenue-producing passengers, as opposed to total passengers. This is something we would like to address and I have talked about it in the Committee in the past.

I think it is really interesting when you stop and realize that we have Congressman Laughlin. He is all the way up here from—I would say he is from Victoria, Texas, because I cannot remember the little town that he is from.

Mr. LAUGHLIN. West Columbia.

Mr. INHOFE. West Columbia, Texas. I do not think many of you have spent a lot of time there. But it is—he has, I believe, six counties that are on the intercoastal waterway. And so, you can actually—as we were going there—as we are out there at the port today, looking down, and you can see—going down there, you can go all the way to his district and just float right through John Paul Hammerschmidt's district. And so, it is something, as I say, unless you can visually see it, you cannot really appreciate it.

So, Mr. Chairman, I will go ahead and submit my—if there is no objection—submit my written testimony to this Committee and comments and look forward to hearing from those individuals who will impress upon this Committee the needs that we have in this part of Oklahoma.

The CHAIRMAN. No objection, so ordered. Thank you very much.

And before I go on with my schedule here, I would like to correct one little impression that was given out, that you guys are all from this area and you are all close together and I am from way out on the east coast or west coast. And I just wanted to let you know that when I was in World War II in the Army, I was stationed at Camp Greuber, Oklahoma, in the 42nd Division and I walked on my hands and knees as an infantryman all through the crooks and hills. I bet there probably is nobody else in the audience that has crawled in as much of Oklahoma as I have. And of course, if you come to my district, my top guy in my local office was raised in Muskogee. He is my top guy out there, so that is a little Oklahoma influence in my local office. And his parents—his father and his father's father headed the biggest brick company and construction company here. They did the brick work in the Oklahoma University and the Oklahoma State University. So, that is just one guy who works for me. That is what he did for years.

Mr. INHOFE. Mr. Chairman, let me just say, welcome home. [Laughter.]

The CHAIRMAN. I am not exactly an Oklahoman, but I am not too far away. Anyway, it is fun to be with all of you. It is a great part of our country.

Now, our first witness. Because so many people have been willing to participate in this hearing and because of the time constraints, I am going to ask each witness to summarize his statement orally in hopefully two to three minutes. Each witness' full statement will be printed in its entirety in the record of the hearing. So, you will not lose anything. It will be in there.

Now, I want to call our first witness, the Honorable Rodger Randle, Mayor of the City of Tulsa.

[The prepared statement of Congressman Inhofe follows:]

U.S. HOUSE OF REPRESENTATIVES

CONGRESSMAN
JAMES M. INHOFE
1017 LONGWORTH HOB • WASHINGTON, D.C. 20515 • 202/225-2211

Statement of
Congressman James M. Inhofe
Public Works and Transportation Committee
Field Hearing - Tulsa, Oklahoma
August 30, 1990

MR. CHAIRMAN: Thank you for holding this infrastructure field hearing in Tulsa. I know I speak for all Tulsans when I say "Welcome to Oklahoma and especially to Tulsa."

Over the past several months, this committee has documented the critical state of disrepair of our infrastructure. We have learned that neglecting infrastructure endangers public safety, hampers U.S. economic competitiveness, and diminishes the overall quality of life for all Americans. History is replete with examples of Americans striving to make life better and easier for their children. This strong desire to build and leave things better than when we found them is increasingly being built on a crumbling foundation and thus it is incumbent on this committee to develop a comprehensive plan to rebuild our nations infrastructure.

In a few moments, we will hear from several state and local officials who will outline the priority infrastructure needs of both the city of Tulsa, as well as Oklahoma's first Congressional District. However, I would like to highlight a couple of needs which in my opinion require immediate attention.

Tulsa's most pressing infrastructure need is reconstruction of our levee system which was initially constructed in 1945. Tulsa's levee system encompasses 20 miles along the Arkansas River and protects an estimated $1.2 billion of public and private property. Although normal and regular maintenance has been done on the levee, a number of pipes and culverts have deteriorated causing erosion and "sloughing" of the levee slopes - thereby preventing the levee from operating as designed and increasing the risk of failure. In fact, the levee failed in two locations in October of 1986.

With the help of my fellow Oklahoma Congressman Wes Watkins, language was included in the Water Appropriations bill providing for $300,000 for the Corps of Engineers to study what needs to be done. Additionally, the language instructs the Corps to work with state and local officials to develop a cost sharing agreement. This is a positive first step in addressing this pressing need; however, it is just a first step. At some point, this committee will be called upon to authorize finding to reconstruct Tulsa's levee and thus I will be calling upon you, my committee colleagues, to support me in this effort.

Another critical portion of Tulsa's infrastructure which needs attention is our airport. As we learned earlier today, Tulsa International Airport is expected to exceed its current capacity during the later part of this decade. Perhaps the greatest indication of a strong aviation presence is the several national aviation firms represented in Tulsa. In fact, our largest employer is American Airlines.

Unfortunately, under the current AIP formula, airports are compensated for revenue passengers only. In 1989 approximately 1.6 million passengers were enplaned at Tulsa International airport. Of those, 191,000 were "non-revenue" passengers, which means that these passengers were not included in the entitlement formula for Tulsa's AIP funds. By not partially counting these "non-revenue" passengers, Tulsa is losing up to $124,000 per year. It is my hope that at some point the committee will address to what extent "non-revenue" passengers should be counted in determining AIP funds for airports. I am confident that this is not a frustration of Tulsa alone, but one that is shared by any airport which is the base for a large number of airline employees.

Finally, I want to mention what I believe to be an excellent example of a private/public partnership on a public works project. Earlier today we very briefly visited Tulsa's River

Park's System, which is a low-water dam project that was built and is maintained through private/public partnership.

The Parks operations are primarily funded under a joint agreement by Tulsa city and County governments. However, much of the revenue for special operations and capital expense are from private resources. In fact, for every $1.00 in public funds appropriated for the Parks, there is $1.04 in private funds raised. Since the Parks' inception in 1974, over $10 million in the form of cash, labor, land, lease fees and equipment has been donated by private sources for the Parks.

During our continuing deliberations on how to address our massive infrastructure needs with scarce federal dollars, it is my hope that the committee will use Tulsa's River Parks as an example of how private and public funds can successfully work together to address public needs. Budget realities not only require that federal dollars are spent wisely, but greater cooperation between public and private resources as well.

Again, thank you Mr. Chairman for holding this hearing in Tulsa, and I look forward to working with you and the members of the committee to work on our infrastructure needs.

TESTIMONY OF HON. RODGER A. RANDLE, MAYOR, CITY OF TULSA

Mayor RANDLE. Mr. Chairman, I would certainly like to welcome all of the members of the Committee. We have provided a written copy of what I have to say. In order to meet those time requirements, I will condense even further. But I would like to present each of you a copy of the report on the capital needs of this community, as well as pending efforts to raise dollars for that capital. In addition to that, if you will distribute those, we will present each of you with an honorary citizenship certificate as a mark of the honor with which we receive you in this community. This will entitle you through the use of the certificate to pay a local sales tax while you are in Tulsa. And we would encourage you to buy something while you are here so that you will be able to do that and contribute toward the cost of the streets and things you are using.

Infrastructure needs in this community, as in other cities, are a constant challenge. We have infrastructure goals and programs and priorities; but finding the funding to meet those requirements is something that is constantly an effort for top leaders and citizens in the community. We have spent about one point—rather, we have $1.6 billion in identified capital needs in this community pending. We have a current sales tax of one penny dedicated exclusively to capital, which we will be voting on this winter. It will help provide over the next five years a little more than $200 million of additional capital money to meet those requirements.

We have very specific goals on infrastructure management. First is to keep the costs of operation and maintenance at the system so that we can keep those costs of operation and maintenance at an adequate level so that we can at least keep the system at its current level. Delayed maintenance means accelerated deterioration and more costs down the line.

The second goal is to simply protect the health and safety and welfare of our citizens. An example of what falls into that category is the $160 million needed for flood control projects to help protect this community from further loss of life and property due to uncontrolled flood conditions.

An additional goal is to replace obsolete facilities and expand overloaded facilities. We need 86 miles of streets widening. We have a 60 year old main water treatment plant that needs to be replaced. And we certainly need to pay the cost of complying with federal and state mandates. Over the next four years, we think we need to spend approximately $95 million on waste water and $15 million on upgrading water plants.

We commit a major share of our resources in Tulsa to these infrastructure requirements. Since 1977, we have allocated more than a billion dollars for the construction of capital projects—$400 million through capital sales tax funds, $475 million in revenue bonds have been paid for by the users of the services, and $160 million in general obligation bonds being paid for by property taxpayers. In addition, every citizen—every household in Tulsa pays $2 a month for flood prevention to the Stormwater Management Program. Over the last ten years, every service rate has risen as we have had to maintain the cost of the revenue bonds.

So, I give you those numbers, which may seem small by federal standards, but as an example of what one community does to cope with meeting infrastructure requirements. The materials that you have been presented allow you to look in more detail at what goes into those costs.

We have very great problems and constraints on meeting these requirements. The Federal Government increasingly gives us environmental mandates, while at the same time, it has eliminated some traditional sources of revenues to pay the cost of meeting those. We have eliminated sales tax exemptions on federal tax returns. We used to be able to make a few dollars in the old days under arbitrage. You have correctly eliminated those arbitrage opportunities, which never should have been allowed. But cities made money on those arbitrage. And laws are being considered to eliminate tax exemptions on interest earned on local debts.

We cope with federal regulations, which are often inflexible. We have federal mandates, which much supersede locally set priorities. The federal tax system makes us a donor state in some programs. I could go into those in this presentation, but to save time, we will refer you to the written materials given to you.

In connection with these restraints, we would urge you to support H.R. 5423. This bill would give—would provide relief for tax exemption—exempt bond users from the burdens and complexities imposed by the Tax Reform Act of 1986.

As I look over our situation as we cope with infrastructure requirements and how to fund them, most mayors would ask you to send more money. I think we could get along with less money if we had less federal dictates of how we spent local money. And as I look back over history, I am not sure but what we were not better off in the days when we got no federal money, but also no federal direction on what we would do with the money that we do have. And so, as long as the federal government is going to be such a strong director of how we set local priorities and spend local budgets, we would ask you that you send with those directives the money to carry out those orders. But, we would also, for the record, happily trade all of those federal dollars for an elimination of federal dictates in how we run the local government in America. Thank you.

[The prepared statement of Mayor Randle appears on p. 1398.]

The **Chairman**. Mr. Mayor, in terms of priority, what are your key infrastructure needs, and how can the Federal Government best help meet them?

Mayor **Randle**. Well, I wanted to add a clarification to those philosophic comments that I just made to say that I think under any circumstances, we would like all of the highway money we could. And so, streets and highways are a constant top priority. Everyone sees the condition of streets and highways; everyone drives on them. The importance of moving goods and people is essential for economic vitality.

But at least equal to that would have to be the water and waste water and sewer requirements. No one sees those needs. The deterioration is not observed. The replacement of old systems makes no increase in the quality of services being delivered. You spend huge sums of money just to stay even. But we are now entering kind of middle age in Tulsa. And so, we are, for the first time in our life, starting to cope with citizens—with systems that for the first time are wearing out. And so, we are becoming much more sensitive to the costs and burdens of those environmental requirements for quality water, quality disposal of waste water and so forth. So, I would certainly rate both of those at the top of where we need money needs.

And environmental goals are not just a Tulsa desire. They are a national imperative. And in the environmental area, many of the federally set environmental standards are properly set for national achievement. But if they are going to be set for national achievement and it is a national objective, I think it is proper that there be national dollars put behind the efforts required of local governments to help us meet locally those nationally set objectives.

The CHAIRMAN. John Paul.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. Mayor Randle, we thank you very much for your testimony, even though you had to summarize it. But, I have been thumbing through—I was listening—but I have been thumbing through these two brochures, "The Capital Program" and "The Capital Plan Summary", and they are so well done and have so much information.

Mayor RANDLE. We are a community that needs—that understands the importance of planning to get to our destinations.

Mr. HAMMERSCHMIDT. Well, they are excellent. And I am not going to take time to ask any questions because I know that the answers to them are probably in these summaries. But, I congratulate you on this very good documentation of your needs and of your projection on future needs.

Mayor RANDLE. Thank you.

Mr. HAMMERSCHMIDT. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Greg, do you have anything?

Mr. LAUGHLIN. Yes, sir.

Mayor Randle, I want to commend you for your testimony and the presentation you made because you hit on a topic that few people outside of the Committee that we serve on and people in the government position you are in pay any attention to, and that is the value of our infrastructure assets. And I noticed in your report and also you testified that here locally, Tulsa has a $4 billion asset which, if we delay the maintenance, it will continue to deteriorate at a much more rapid rate and the replacement costs or the repair cost will skyrocket.

And I would challenge the media here today to give better attention because so few in the public appreciate the value of the infrastructure that they take for granted every day. And I would challenge the media to give some attention, along with the murder rates and the drug raids that—hopefully you have fewer than we have in other parts of the country. But, these are needs that we cannot afford to let deteriorate. And I—in addition to my challenge to the media to give some attention to the needs for maintenance; do you have any other suggestions on how we, as a group, can get the public's attention focused on the infrastructure maintenance needs of our country?

Mayor RANDLE. I think you are helping with that by public hearings like this that help bring media attention to the question and efforts that you all carry out. There is not any choice about whether we will spend the money. With maintenance, it is always a question of whether we will spend it now, and modestly, or spend it in larger sums at a later time. It is very difficult for people to put a priority on spending things that do not provide an increase in enjoyment as a result of the expenditure of those dollars. And most maintenance does not give that return. When we build a new intersection or we build a new highway, everybody sees it, everybody enjoys it and everybody thinks, is this not wonderful what we have spent our money on. When you build a water line replacement, nobody sees it. It creates an interruption for everyone's convenience while it is under construction and when it is over, everything just goes back to the way it used to be, except that the city treasury has less money in it. And so, understanding of the value of doing those things today is hard to convey.

And then, I should not have to observe to you all, since we are all elected officials, there is a great temptation by those who are in elected office to spend money where there is the most immediate enjoyment by the citizens to the expenditure of the money, and maintenance rarely falls in that category.

Mr. LAUGHLIN. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Congressman Mel Hancock.

Mr. HANCOCK. I would just like to say, Mayor, that I—what was your background before you became mayor?

Mayor RANDLE. I practiced some law and I served in the Oklahoma state legislature dealing in state government for many years.

Mr. HANCOCK. You are somewhat of a rare species to speak in this hearing. When you said, we think that if the Federal Government would quit mandating, we could get by on less money. I do not know, but I think that is the first time that I have heard a mayor anyplace say, well, we think we could get by on less money. And I agree with you. In fact, that is one of the things that is really near and dear to my heart.

You may be familiar with a situation in Missouri with a little constitutional amendment that was passed in 1980 which prohibits the state government from passing a law mandating any program at the local level without providing the money. And in fact, they call that amendment the Hancock Amendment, even though I was not in the state legislature. Even though some of the state legislators do not like it, they also will say, boy, we wish we had it on the Federal Constitution that the Federal Government could not mandate these programs that maybe they need in Alaska, but they do not need in Tulsa, Oklahoma. And frankly, this is the thing that really—it really pleases me to have somebody in your position hit what I think is the very key of removing the waste, fraud and mismanagement at the federal level. And that is a lot of these mandated programs that cause you to throw money away because some bureaucrat in Washington thinks this is the way something ought to be done. And I appreciate your comments. Thank you.

Mayor RANDLE. Missouri is very fortunate to have the Hancock Amendment because that is something we can very much use here in Oklahoma as well.

Mr. HANCOCK. Well, I will make some suggestions on how to do it later on.

The CHAIRMAN. Thank you, Mel.

Congressman Jim Inhofe.

Mr. INHOFE. Mr. Chairman, I, too, appreciate Rodger's comments, and I probably am more sensitive to them since I have done what he is doing now. And I can remember several times—and I think Mr. Kepso would agree with this—it probably had not been done before; but, we actually did turn down a couple of—one was a water grant, I remember when we were first in office—trying to impress upon the administration that when grants come in, if the guidelines are so tight that they are making the decisions and they are micro managing our cities from Washington, we do not—that is not the way it should happen. The closer you are to the local level, the more you need—you understand the real needs of government, of the city and of the people. And I learned from having served in the state legislature as mayor of a city and now in Congress, that when you—the closer you are to the people, the more careful you have to be because you do not get by with anything when you are right here. I think that is where the decisions, the priorities, should be made.

We are very fortunate, Mayor Randle, in that our Chairman, Chairman Anderson, also had the position that we had. He was the mayor of a major city for a number of years. I think those of us in Congress who came from these ranks understand that the guidelines coming down are guidelines—maybe in major categories, but certainly not micro managing our cities. And it is not just in infrastructural needs, not just in capital needs, but in law enforcement funding and other areas. In fact, we are trying right now to go directly to some of the major cities, as opposed to going through the governors' offices and through the state government. Since you have served both places, I think you probably join me in that concern.

Mayor RANDLE. Every layer of bureaucracy extracts an extra cost.

Mr. INHOFE. That is right.

Mayor RANDLE. Where the relationships could be done directly with municipalities, then that will work better than having a third party intercede.

Mr. INHOFE. Yes. And Mayor Randle, one reason that we deviated from the script on this hearing and we took half of our hearing in a bus going around and looking at what we have done in Tulsa and what our needs are in Tulsa, was to see them first hand. When I look out and I see people like Travis Freeman, Jody Parker and others, those are people who have made great contributions to our cities. We look at the River Park system and the amount—the percentage of private funding that has gone in there.

I think that—I hope that when this Committee goes back, they will remember Tulsa, Oklahoma, as a city that takes care of its own needs and is more deserving from that perspective of the attention from the Federal Government.

Mayor **Randle**. That's an excellent point.

Mr. **Inhofe**. Thank you, Mr. Chairman.

The **Chairman**. Thank you.

Mr. Mayor, just one point to note. On page five of your statement, you urge support for Congressman Anthony's bill. Not only do I support it, but last Congress I introduced a bill, which our Committee reported, that addressed the same issue of tax treatment of infrastructure projects as the Anthony bill. I just wanted you to know that we thank you for your testimony. I want to let you know we support what you asked for.

Mayor **Randle**. I am pleased to hear that. Thank you.

The **Chairman**. And our next witness is Donna Peters, representing INCOG. That is the Indian Nations Council of Governments. And, Ms. Peters, the floor is yours.

TESTIMONY OF DONNA PETERS, SENIOR PLANNER, INDIAN NATIONS COUNCIL OF GOVERNMENTS

Ms. **Peters**. Thank you for providing us with the opportunity to testify. I represent INCOG, a regional planning agency serving five counties and 44 local governments in the Tulsa metropolitan area. Our mission is to provide planning and management services to member governments and their constituent organizations.

You have heard from Mayor Randle about the City of Tulsa's capital improvement needs and received written testimony from other area mayors. Our comments will focus on counties. And though we will principally discuss Tulsa County, much of our testimony will apply to surrounding counties as well.

You have been provided with written comments, and in the interest of time, I will skip over much of my oral report and refer you back to those comments.

At present, Tulsa County is designated as a non-attainment area for the pollutant ozone. Through concerted state and local efforts, significant improvement to our air quality has been attained. In fact, Tulsa County has been in compliance with air quality standards for the past three consecutive years and is in the process of being redesignated as an attainment area. This is vitally important to the city, county and region for future economic development. Further comments related to the air quality issue will be made later in my remarks.

Unlike cities whose primary sources of revenues are sales tax or utility fees, Oklahoma counties must rely on property taxes for revenue. The primary financing mechanism for counties is a millage levy. Like most, if not all counties in Oklahoma, Tulsa County is currently at the maximum millage limit as established by the Oklahoma Constitution.

The millage from property taxes is used almost exclusively for operations, which is essential to sustain a minimal level of county administration. As a result, Tulsa County has virtually no source of funding for capital improvements.

Nonetheless, recognizing the value of prudent capital programming, the Tulsa County Board of Commissioners approved the concept of a capital improvement, or CIP, plan for Tulsa County in the late fall of 1988 and established an inventory of needs which totaled $88 million. A detailed list of those needs are in the written comments.

The Board of County Commissioners deferred action on the majority of these CIP recommendations until a source of funding could be identified. Tulsa County has not received any significant funding for capital projects in ten years.

Historically, the major sources of revenue for capital improvement is general revenue sharing. At present, the only federal monies available come from two sources, CDBG funds and gasoline tax funds. CDBG funds are made available through the state. Tulsa and other area counties have participated in this program to further economic development through improved infrastructure, on loans to businesses and by assisting rural water and sewer districts in meeting serious infrastructure needs. Federal transportation programs funded with the gasoline tax have provided some assistance to counties for highways and bridge improvements.

Issuing general obligation funds is the classic method available to counties to finance capital improvement projects in Oklahoma. However, G.O. bonds issued by county government must be approved by 60 percent of the voters because of constitutional restrictions. Cities, by contrast, are only required to obtain a simple majority of voter approval for public utility projects, including streets and bridges.

For example, the most pressing need for the county is a new jail and related juvenile justice facility. The present county jail is at the maximum capacity, based on state jail standards and a federal court order. Tulsa County has attempted without success to use G.O. bonds to finance needed jail improvements in recent years. In 1987, a jail bond issue garnered 57 percent of the voter approval; in 1989, a similar issue was defeated by the voters.

In summary, I would like to say that new funding sources must be identified for future capital improvements. Improvements to public facilities and expansion of services will most likely have to be paid for by the same public that benefits from them. Continued deterioration of existing infrastructure, along with increasing demands for new facilities and additional services will not go away just because the public does not want to pay. Local governments look to the Federal Government in addressing these needs.

For your consideration, we respectfully offer the following observations and recommendations:

INCOG has closely followed the proposed Clean Air legislation, and we support efforts to enact a new clean air bill. We encourage the Conference Committee to resolve remaining differences in a timely fashion. Of particular concern to us in these deliberations is how transitional areas, such as Tulsa County, will be treated. It is our understanding, based on EPA analysis that the House language would leave us in a transitional status until 1992. We understand that the Senate language on transitional areas may be more favorable to areas such as Tulsa and we would encourage adoption of the Senate language. Achieving redesignation at the earliest possible date, rather than waiting until 1992, is of critical importance to economic development efforts in our region.

We also believe that it is important the conformity determination in the Clean Air bill involving transportation be done on an overall program or plan basis, rather than on a project-by-project basis. As a result, we strongly support the House language, which we believe addresses this issue. Further, we urge that plan or project approvals involving transportation projects should be accomplished through a collaborative process involving both the Department of Transportation and Environmental Protection Agency.

We would also encourage retention of flexibility in the use of CDBG monies, without together targeting requirements as proposed by the Administration. Retaining existing flexibility in the CDBG program is necessary to meet the most crucial community development needs and clearly focuses resources on meeting needs of low and moderate income persons.

In deliberations regarding future surface transportation legislation, we urge that consideration be given to addressing problems of mobility, not just between suburbs and inner city, but to meet the future transportation needs involving suburban cities and outlying activity centers.

Continuing funding for area-wide water and air quality programs is also important to us. We would urge Congressional consideration for pass-through provisions for Section 604(b) funding for water quality planning programs similar to that provided in Section 205(j) of the Clean Water Act. I understand that your Committee will be considering this issue and we would be happy to offer more specific information and recommendations at a later date.

Finally, we encourage the Federal Government to look seriously at supporting regional planning efforts and promoting cooperation among local governments. The issue of solid waste and drug enforcement planning and program implementation comes to mind in this area.

I appreciate your interest in hearing about the issues and concerns of the Tulsa area. We would be happy to provide any additional information that you might need.

[The prepared statement of Ms. Peters appears on p. 1381.]

The **Chairman**. John Paul.

Mr. **Hammerschmidt**. Thank you, Mr. Chairman.

Ms. Peters, we appreciate very much your very comprehensive statement. Let me just focus on one little bit of it. I noticed on page 7, you say, "We also believe it is important that the conforming determination in the Clean Air Bill involving transportation be done on an overall program or plan basis, rather than on a project-by-project basis." This Committee is very, very concerned about that issue. Most of the clean air legislation comes out of a different committee. It comes out of the Energy & Commerce Committee. However, because of this dramatic effect this could have had on transportation needs, we talked within our own ranks in the House—and we do have, as you know, this provision, which you are asking us to support.

The only point I would make is, we are going to conference with the Senate. So, we would encourage that any influence you have on the other body—and I am not saying that your Senators—I do not know which side they are on, but you need to make those views known to them because it is going to be very important. We are going to be taking up the Clean Air Bill conference shortly after we return, and I just want to make that point. It is important that you communicate that to the other body, as well as to us. And, we appreciate very much your position.

Ms. **Peters**. Thank you.

Mr. **Hammerschmidt**. Thank you.

The **Chairman**. Jim Inhofe.

Mr. **Inhofe**. Mr. Chairman, just one comment. I think it is coincidental, but a very pleasant coincident for us that today is the day that the EPA approved our state program that takes us off the non-payment list. Of course, we have a 30-day comment period, but it is—that alone—that Act alone can pretty much shorten a lot of testimony here today. We all rejoice in that, Donna.

Ms. **Peters**. Thank you.

Mr. **Laughlin**. Well, Ms. Peters, it certainly is a pleasure to hear your testimony. It brought to mind a joint meeting I had with our colleague, Congressman Jake Pickle, with whom I share a common boundary. He is the congressman for Austin, Texas. And we met with a group of water people, and your observation about regional planning among the local governments for waste is certainly well taken, and that was part of the focus of that meeting yesterday, along with water treatment for disposal water—in particular, ground water. So, you are hitting some real nails on the head, and I compliment you for that. Thank you very much.

Ms. **Peters**. Thank you.

The **Chairman**. Thank you, Greg.

Mel.

Mr. **Hancock**. I don't have any questions, Mr. Chairman.

The **Chairman**. Ms. Peters, to draw a new industry, you have to beef up your existing infrastructure. What kind of infrastructure shopping list are potentially new industries coming to you with, and have you been able to respond to their requests?

Ms. **Peters**. I am not familiar with specific shopping list requests for the area. I believe that the issues that I have touched on are important to the location of new industries, the transportation systems that access—for instance, many of the problems at the county—at the county level that we face are access to federal projects. For instance, such as the Corps of Engineer lakes or the proposed Tall Grass preserve area. I am not sure that I have got a detailed list that I can respond at the county level for you.

The **Chairman**. Ms. Peters, thank you very, very much for your presentation.

Ms. **Peters**. Thank you.

The **Chairman**. Our next two witnesses will be addressing general transportation needs. They are Mr. Brent Kitchen, Airport Director of Tulsa International Airport and Mr. Travis Freeman, Chairman of the Oklahoma Highway Commission. And let us see if we could perhaps begin with Mr. Kitchen. First, let me thank you for hosting us earlier today on the tour of the airport and briefing us on the third runway that is now being designed. So, let us start in that procedure then. Mr. Kitchen, I guess you are first. Is Mr. Freeman here?

Mr. **Freeman**. Yes, I am right here.

The **Chairman**. Well, your name is up there.

Mr. **Freeman**. Would you like for me to come up there now?

The **Chairman**. I thought we would have both of you. We might ask our questions because you are kind of on the same—in the same general area. You can sit there. And we will first hear from Mr. Kitchen and then we will hear from you.

TESTIMONY OF BRENT KITCHEN, AIRPORTS DIRECTOR, TULSA AIRPORT AUTHORITY; TRAVIS FREEMAN, PRESIDENT, OKLAHOMA HIGHWAY COMMISSION

Mr. **Kitchen**. Thank you, Mr. Chairman, members of the Committee. We certainly enjoyed our tour this afternoon, and we enjoyed first hand showing you our airport facilities.

Tulsa, as Jim Inhofe knows already very well, has a proud aviation history that has created a major air transportation center and an aerospace industry that has created the region's largest employer and has become the greatest economic generator for the region. As you saw at the airport this afternoon, we have seven major airlines, and they serve four surrounding states—or three surrounding states, as well as Oklahoma, eastern Oklahoma, northwestern Arkansas, southwestern Missouri and southeastern Kansas.

A total of 52 aviation-related businesses currently operate on Tulsa International Airport. These businesses provide 17,000 aerospace jobs, having an annual payroll of a half a billion dollars. Tulsa's aerospace industries contribute nearly $3 billion annually to the region's economy and, of course, one of our major tenants, as you saw this afternoon, is American Airlines, who is the state's largest employer, and you saw their maintenance and engineering center. They also have their Sabre reservation center located on the airport. I would like to add that these facilities are the largest and most modern of their kind in the free world.

All of this could not be possible—and let me say that it cannot be sustained—without continued funding commitments to improve our airport's facility. The airport's capital improvement program identifies 21 projects, totaling $150 million needed over the next seven years. These programs—there are two very large projects in this program. One of them is the addition of an air carrier runway, and the other is the acquisition of property for noise abatement and future airport development purposes.

These projects will not be constructed without a reliable funding source. It is for this reason that we commend you for recently passing the Federal Aviation Administration Airport Improvement Program Reauthorization Bill, H.R. 5170, and its passage of a passenger facility charge provisions for continued funding of necessary airport capital improvement projects. We are hopeful that the Senate will demonstrate the same leadership of providing a passenger facility provision as a local funding option and spending down at the aviation trust fund surpluses for airport development needs.

I would also like to go on record to support the FAA as a primary federal agency responsible for federal grant—federal programs that relate to airports. The FAA, in my opinion, has performed exceptionally well over the years in assisting airport operators with safety, security, construction and funding programs. It is very important to us that this continuity of administering federal programs be maintained and be maintained through one agency.

Congressman Inhofe reminded me there is a couple of other issues that I would like to bring to your attention also, and that is the non-revenue passenger not being counted in the AIP funding formula. If that was thrown in and those people do pay the eight percent ticket tax—by the way, it would mean another $124,000 of federal funding to Tulsa International. If the passenger facility charge was created, that would create another $3 million for us that would help and fund the projects that we have listed.

I would also like to go on record as supporting H.R. 5315. I think Congressman Inhofe has been involved in that and Congressman Anderson also. And that is to remove the aviation trust fund from the United—or unified federal budget to allow the aviation trust fund monies to be utilized as intended. And the recently passed H.R. 5130, the civil penalty assessment program which enables airport tenants to develop a security program which they administer and resume financial responsibility.

And with that, I thank you for your consideration of these important issues.

The CHAIRMAN. Before we ask any questions, we will hear from Mr. Freeman.

[The prepared statement of Mr. Kitchen appears on p. 1375.]

Mr. FREEMAN. Mr. Chairman, thank you very much. I am Travis Freeman, the Commissioner from this district. I am also the Chairman of the eight-member Transportation Commission of the State of Oklahoma. With me are our Transportation Secretary, Mr. Neil McCaleb, and the Director of ODOT, Jack Blaze. You have before you an Oklahoma perspective. My comments will not follow that in any way. Most people tell me in our staff that that is the way I always operate. I would like you to look at that in detail because it covers a great deal of our operation. But, I want to talk to you just in general about what the needs are in this district and the state of Oklahoma and how we hope that together we can supply the solutions to those needs.

Oklahoma has approximately 12,000 miles of state highways, 86,000 miles of county roads, 1,000 miles of interstate highways. And in this district, those miles are about 350 state, 3,100 county and 50 interstate miles of very, very heavily traveled roads. Thirty percent of our state highways are classified as inadequate. And what bothers us the most, of course, is that on inadequate highways, the accident rate is about 66 percent more than it is on those that are classified adequate.

We have a program to upgrade approximately 200 miles statewide of inadequate highways each year. But, we are running into some difficulty in carrying that out because of the cost escalation and construction and the change in the attitude of what is good highway design. As an example, cloverleaf design on intersections in urban areas have become very unsafe and inefficient. The solutions now call for more complicated and expensive interchange design with directional movements.

In Tulsa, for instance, if we take an intersection over here at the Broken Arrow Expressway and I–44, which is the Skelley Bypass, we are looking at a redoing of that one interchange with a ticket of about $40 to 50 million. That is a sizable package, and it would require a commitment for funds from the 1st District of over three years just to do that job. And of course, it is competing with other needs in this district which amount to approximately $300 million just for that expressway corridor. So, you can see that it is a very, very difficult situation for the upgrading and the maintaining of just those highways.

Over the next 20 years, additional needs for the State of Oklahoma will accrue greatly because of increased construction and traffic and the maintenance of those facilities we now have in place. And this is a number that gets my attention very greatly. We project that on that 20-year period, it is going to require $13 billion in order for us to do the job. Those funds just are not in the system, gentlemen. They are not in the system here. They are not in the system anywhere. And therefore, it means that we are going to have to have increased revenues if we are going to do our job of providing a safe, adequate and attractive highway system for the citizens of Oklahoma. And the first two main items that have to be addressed and where you really come in more than we do, is item number one. We must spend down the highway trust fund. And item number two, we must keep fuels taxes exclusively for building and maintaining highways.

In addition, I agree with the Mayor and most anybody else that has talked here. We need to have a little more flexibility built in to the funding program. The current and complex structure of the federal aid highway program has more than 35 funding categories. We believe that a two-part structure should be the wave of the future.

In Oklahoma, we are particularly proud of the fact, gentlemen, that we do not just use tax dollars to build our highways. We try to be as efficient as possible, and you are probably familiar with the fact that we have a turnpike system that is quite adequate. We have almost 500 miles of turnpikes in operation, and we are in construction of 75—76 miles more. That construction of the 76 miles going on right now has a total bill of $360 million. That $360 million means that we can use that money, instead of tax dollars, to build other roads. And that is extremely important to our ability to get the job done.

And because we do that and because we constantly work on how we can better be efficient, right now, we have underway a Highway Users' Federation study of our entire operation. We formed a task force to look into long-range planning and finance and also a task force to look into privatization. Because we do these things, we have always had a great concern about the fact that we are a donor state. We get less of the money our people send to the highway trust fund back than we think we should. And therefore, we would like to recommend that when you get into any new program, that a donor/donee relationship among states should be avoided.

You people have had the pleasure—and I hope it was a pleasure—of traveling around this area today, and I hope that you have been impressed. I have lived here for 40 years, and I think I have some idea of the attributes of Tulsa. I think we have an almost unique set of assets in our airport, our waterway, our surface transportation system and something that is overlooked quite a bit, but has a great impact on this area, and that is an almost inexhaustible supply of good raw water. If we can continue to build on and maintain these facilities, there is not any doubt that Tulsa and this part of the world are going to move into the decade of the 90's with great vigor, and I would say we will probably have explosive growth through the 21st Century. But, we cannot do it alone.

It is the sort of thing, gentlemen—that is one of the reasons we are happy you are here. We are delighted to work with concerned persons such as you, in particular with our friend, Jim Inhofe, whom I happen to believe and for a long time have believed is one of our most dedicated and talented public servants. And if we all work together, I think—not only in this district, but in Oklahoma and the country, we can probably get there and we intend to get there. Thanks again for being with us.

[The prepared statement of Mr. Freeman appears on p. 1359.]

The **Chairman**. Gentlemen, I want to thank both of you for your statements. I have one question. If the Committee—this Committee—were to produce an infrastructure bill providing assistance to local governments for their flexible use on a wide range of local infrastructure needs, but held some money back to be distributed on a discretionary basis for the most cost-effective projects, what type of infrastructure projects would typically be funded and what are the most cost-effective infrastructure projects, and will this vary from one state or from one community to another? That is a pretty broad question.

Mr. **Kitchen**. I should have taken notes on that question. But, I think under the Airport Improvement Program, there is a discretionary funding program, and I think it has worked very well. When an airport project is undertaken, especially a major project such as the Denver Airport or our third runway, it will not fit into the regular enplanement formula basis. And I think that is why the discretionary fund was set up, and I think it is working very well. And I think it is distributed very well. We receive—have received in the past quite a bit of discretionary funding at Tulsa International for large projects, and that works very well. I am not sure I answered all of your question.

The **Chairman**. You did fine.

Congressman Hammerschmidt.

Mr. **Hammerschmidt**. Well, thank you both for very fine statements—very informative statements.

Mr. **McCaleb**. If I might, Congressman Hammerschmidt. May I——

The **Chairman**. Certainly.

Mr. **McCaleb**. My name is Neal McCaleb. I am Secretary of Transportation, and I would like to answer on behalf of Chairman Freeman. From our point of view——

Mr. **Hammerschmidt**. It's the Chairman's question.

Mr. **McCaleb** [continuing]. These two questions.

Mr. **Hammerschmidt**. Put that in the record if you would.

Mr. **McCaleb**. First of all, on the local basis, the way we would use the money in the flexible program would address two types of projects. One would be like the megabuck projects, like the $40 million interchange, and we have three of those kinds of interchanges, by the way, in Tulsa now under study. Another kind of project that we would address are the local street improvement projects. An example, we got some additional money is the Yale Street improvement, which is a $7.5 million project to widen Yale Avenue for a little—for about a mile and a quarter. We just got about $10.5 million in additional obligation authority from the Federal Highway Administration, and we are able to put that project on the October levee. That defines what we would do locally with those kinds of flexible funds.

In terms of what we would do on the—in the interstate areas, I think that is a particularly important question to us. We are very much interested in the regional connection and access of Tulsa, northeastern Oklahoma with northwestern Arkansas, southwestern Missouri via the improvement of U.S. 71 through a continuous four-lane facility from Kansas City into its connection with the interstate in Texas and our connection with U.S. 412, which we have four-laned—are in the process of four laning from Enid, far west of us, all the way to the Arkansas line in Siloam Springs for the remaining 28 miles to its junction with U.S. 71 at Springdale. That is the kind of regional interconnection that we would see that discretionary money going to.

Mr. **Hammerschmidt**. I thank you very much for making those points. And obviously, I have a great concern in it because I can see that divided four-lane highway coming right in there to Siloam Springs, Arkansas and dumping out traffic onto a two-lane road, and we are not prepared to respond to that. And we are going to have hearings, as you know, next week—not to fix that problem, but to discuss that problem. And as we move into this next phase of highway legislation, which will be written by next year, maybe drafted, some of it by the last of this year, it is those type issues, we are going to have to speak to and how would we best interface and serve the state. Obviously, we know that it breaks faith for the American people not to spend money out of these trust funds. We have come close on the House floor within five votes of taking one of those trust funds off budget. And now, for the first time, a major legislative committee has passed through its committee legislation to take those trust funds off budget into the unified budget.

But if I can move back over to Mr. Kitchen's statement and the passenger facility charge bill—the aviation bill. As you know, in that bill, there is—it mandates that we spend down from $7.6 billion in the aviation trust fund to $1 billion in a five-year period. If we could do something like that on surface transportation, I think everybody would be tickled to death. You cannot just suddenly take those trust funds off budget; but if we could spend them down in an orderly fashion over a fairly short period of time—five years or maybe even a little longer, we would go a long way.

As Mr. Freeman says, even if you do that, the states would only receive about a year and a half windfall, so to speak. I mean, it would not solve the problem. There is just not enough money in the system at this time. And of course, that is kind of what these hearings are about, although we are talking about general infrastructure. But certainly, roads and airports are a major part of that in urban transportation.

But, I will not go on here, except I know we are all in sync and we want to try to work together to find common solutions to a problem that we all know exists. We thank you very much for your excellent statements. Thank you.

The **Chairman**. Mr. Laughlin.

Mr. **Laughlin**. Thank you, Mr. Chairman. I concur with Mr. Hammerschmidt's observations, and I will not ask any questions because your testimony was informative and I agree with it. Thank you very much.

The **Chairman**. Mel.

Mr. **Hancock**. I do not have any questions.

The **Chairman**. Jim.

Mr. **Inhofe**. Mr. Chairman—just for your assurances, under the leadership of Chairman Anderson, each one of us—and this is kind of split even, Democrat and Republican on this Committee in the representation here today—strongly supported the PFC allowing you to do the work if you can sell it to the public. Of course, that is—that has to be done, too, because there are elected members on their board authority, which is true throughout the nation. As well as getting the—all trust funds off budget. This is something that has been done. It is a smoke and mirrors technique that Congress has used. But, it is the Chairman's leadership that has kept us all unanimously in line in getting that done. As Congressman Hammerschmidt said, in the case of the airport—aviation trust fund, we—a couple of years ago, were within five votes of doing that. So, we think these are do-able now, and we are on the road to correcting that problem. So, we are on your side on that.

The **Chairman**. Thank you very much.

Our next and our final panel of witnesses will be addressing waterway needs. They are Col. F. Lee Smith, the Director of the Tulsa District United States Corps of Engineers and Mr. Robert Portiss, Director of the Port of Catoosa. They will be accompanied by General Stanley Genega, Commander of the Southwestern Region of the Corps. And welcome to—all three of you. And I think we might begin with Col. Smith.

TESTIMONY OF COL. F. LEE SMITH, COMMANDER, TULSA DISTRICT, U.S. CORPS OF ENGINEERS; ROBERT W. PORTISS, PORT DIRECTOR, TULSA PORT OF CATOOSA; AND GEN. STANLEY GENEGA, COMMANDER, SOUTHWESTERN REGION, U.S. CORPS OF ENGINEERS

Colonel **Smith**. Thank you, Mr. Chairman, members of the Committee. It is a pleasure for me to be with you today and participate in your hearing as a representative of the Tulsa District of the United States Army Corps of Engineers. Throughout our nation's history, the corps has actively planned, designed, constructed, operated and maintained important aspects of our nation's infrastructure and continues in this tradition today. The corps fully supports your Committee's focus here today on infrastructure as most appropriate.

I am proud to be Commander of the United States Army Corps of Engineers district which has served Oklahoma with great commitment and distinction for many years. A premier feature of this service has been the Oklahoma portion of the 17 locks and four hydropower facilities on McClellan-Kerr Arkansas River navigation system. Were it not for the federal participation through the corps in this navigation system, the waterborne commerce in this region of the country, which has proven to be clearly in the benefit of the total nation, would not have been possible.

Another premier portion of the corps' contribution to the economic well-being of this part of the country has been in the area of flood control. Historically, this region has been victimized by flooding, costing lives and imposing severe adverse economic impact. An example of our most recent ongoing involvement in flood control is our successful partnership with the City of Tulsa. Through this cooperative approach, the citizens of Tulsa will soon see a substantial reduction to the devastating flooding caused by Mingo Creek. In 1980 alone, flooding of Mingo Creek caused four deaths, some $124 million in damages. When completed in 1995, some 23 flood water retention facilities on nearly 700 acres in over ten miles of improved channels will provide a 100 year frequency flood protection level. This important $186 million investment is estimated to accrue benefits averaging over $32 million a year when completed.

Another important aspect of the corps' involvement in infrastructure associated with flood control is our local Tulsa-West Tulsa levee system. This system alone currently provides flood protection on the Arkansas River to property valued in excess of $1.2 billion. The federal money spent in 1945 to construct this levee system has proven many times over to have been money well spent. Though this project is nearing the end of its programmed economic life, the levees have the potential for many more years of service. However, these levees need rehabilitation beyond that envisioned originally by the local sponsor. This need for rehabilitation remains a source of concern to the corps since the 1986 flood on the Arkansas River clearly demonstrated the need for and importance of these levees.

In closing, I would like to emphasize the long-standing commitment of the United States Corps of Engineers to the wise management of our nation's resources. As we look to the future, the challenges are many and the need to prioritize funding for water resources will be as important as ever.

The corps' long-standing involvement in providing a portion of our nation's infrastructure has generated expertise and accountability to the nation which have withstood the test of time. Our benefit-to-cost methodology has proven to be a dependable indicator of sound federal economic investment. The corps' use of federal and local cost-sharing partnerships has produced outstanding results not only here in Oklahoma, but throughout the nation. Our efforts in environmental enhancement and recreation, as well as hazardous and toxic waste cleanup have established the Corps of Engineers as what we believe to be the best public engineering agency in the world. The corps has pledged itself to continued service as our nation addresses its infrastructure challenges today and tomorrow.

I thank you for the opportunity to address this Committee this afternoon and would be pleased to respond to any questions you may have.

The CHAIRMAN. Mr. Portiss.

[The prepared statement of Col. Smith appears on p. 1404.]

Mr. PORTISS. Mr. Chairman and other distinguished members of the Committee. It was an honor for me to be able to tour you through our Port today. I want to especially thank our own Congressman, Congressman Jim Inhofe, for his outstanding support. Every time we have called on him relative to our waterway or our port, things that we need done within the Congress, you have responded quickly and very effectively, and we appreciate that.

My statement is already a matter of the record, I believe. I submitted it to you yesterday. I am not going to repeat what you saw this afternoon, or at least I will try not to. The thing that I would like to impress upon the Committee is the fact that what you saw this afternoon and our $1.3 billion navigation system is now in jeopardy. We must have a lock and dam built at the confluence of the White and the Mississippi, or the entrance channel, if you will, to the McClellan Curve. Or our port and the public investment made by the citizens of this area, our metropolitan area, the $21.2 million in G.O. bonds, in other words, plus the additional $5 million in investment that our Port Authority has supplemented to maintain the Port, as well as additional capital improvements, will be in jeopardy. The $194 million in private investments that are out there today, after 20 years now of growth. And the hundreds of millions of dollars that have been invested by private and other non-federal public entities along the McClellan Curve in Arkansas and in Oklahoma as part of the joint venture investment, if you will, in that navigation system. Why do we need this lock?

Our friends with the Corps of Engineers, as you know, at least in my 20 years of experience in working with them, are very careful in their predictions and their projections. They have now determined, after many years of study, and they have officially stated that the White—the Mississippi River at the entrance to our navigation system will, in fact, drop its surface elevation by 15 feet over the next 30 years. And considering that the depth of the White River entrance channel is only 15 feet, so goes the system. You literally will be able to walk up that first ten miles of the McClellan Curve. Obviously, shippers over the past four to five years that have experienced low levels of water depths at that particular location have said, "Either get it fixed, or we leave the system. We cannot afford to have a $700,000 barge load of steel sit there for 30-60 days and not be able to get our hands on it."

We do have a very severe problem, and I realize I am speaking to the choir, in a sense, because your committee has been very supportive of this project and we owe much to Chairman Anderson for clarifying for the record in the Congress this past year that Montgomery Point lock and dam was, in fact, authorized in 1946. That was an outstanding question that has now been resolved.

As we look ahead with the turnaround in the Eastern Bloc countries, if you will, where we are seeing the transformation from Communism to Democracy and the tremendous trade opportunities with those particular countries which fit the Gulf Coast, whereas the Far East was really through the West Coast, we have an opportunity to serve the central—continue to serve the central part of the United States with this Port out here and its waterway—which incidentally, if I did not mention it today—here in the heart of America, the grapes of wrath state, if you will—at least, as we are often referred to—this Port that our citizens invested in is the largest inland port in the United States.

We have also—thanks to Congressman Inhofe, been able to move military equipment by water for the first time since World War II. The icing on the cake of which was the 101st Airborne that moved two different tows, each of which were the length of three football fields. That is something that was started here in Oklahoma, and that is something that has continued and we hope will become a permanent part of military doctrine in the future.

In closing, our metropolitan area has helped make this waterway work. It has fulfilled its investment commitment as promised. It is a regional facility serving five states, and we trust that your Committee will continue to support our efforts. Thank you very much.

The CHAIRMAN. Thank you.

I have a question, I think, for the whole panel.

Mr. INHOFE. General Genega is here.

The CHAIRMAN. General.

[The prepared statement of Mr. Portiss appears on p. 1395.]

General GENEGA. If I might just a moment, Mr. Chairman, Committee members. I am very pleased to be here. I leave the substance of the statement to Colonel Smith. But, I share the concern of the Committee members about the infrastructure, and I look forward to working with the Committee. As you know, I am very new to my job—to the present job and look forward to working with the Committee and the local communities to find solutions to those infrastructure problems where our charter permits. It is a privilege to be a service to people of Oklahoma, and I look forward to seeing the Committee next week in Arkansas. Thank you.

The CHAIRMAN. Thank you very much, General.

My question to the entire panel is this, do you believe that better infrastructure—whether it be ports or other waterway facilities—would result in a stronger economy for this area, and if so, how?

Mr. PORTISS. Do you want to tackle that?

Col. SMITH. Mr. Chairman, I can only observe where we have been and speculate to where that will take us. It is my opinion that the infrastructure that the Corps of Engineers has participated, be it the port system on the eastern seaboard and then the movement west and the Corps of Engineers' involvement has, by every measure, stimulated the economic well being and development of this nation. Whether that generalization can be applied to a specific area of which comes first, the chicken or the egg? I think it is more of a question that is a hand and glove cooperation. Without infrastructure—the water, the power, the rail, water network and such—the opportunities for economic development diminish. Where those facilities are provided through federal or local infrastructure, then the fertile ground is there for the economic development. Can there be economic development without the infrastructure? Yes, but under far more difficult circumstances.

The CHAIRMAN. Thank you.

Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Mr. Chairman, I do not have any questions. I want to thank you gentlemen for very fine statements and being here at our hearing.

The CHAIRMAN. Let us start off with Mel.

Mr. HANCOCK. I do not have any questions. I just am pleased that they are looking at this tri-state area. I think we have to look at it as a whole unit, rather than picking and choosing either Tulsa or southwest Missouri or Springdale, Arkansas. I think we have to look at how it affects the entire unit and, naturally, this unit here affects the district down there. I think sometimes, Mr. Chairman, that we have—that the Congress has reacted almost by Congressional district, rather than look at what is good for the whole—you know—for the whole community or the whole area of maybe four, five or six states. And I think that is part of the—one of the reasons why I am pleased to serve on this Committee because this Committee does look at major areas, rather than picking and choosing. And I appreciate the testimony of each of them because it is obvious that is what they are looking at.

Mr. HAMMERSCHMIDT. Would the gentlemen yield? Commenting about our mutual needs here in this area, I probably should just say that we are very aware, as Mr. Portiss knows, about the needs of Montgomery Point lock and dam and how it does affect all of us in this entire area. And in the colloquy that we had on the House floor, we tried to clarify that there is an authorization for that lock and dam. We might even put a new authorization bill in just to clarify that doubt. I do not know whether we will move forward with that or not. But, we do know that it ought to be built, and I think the next order of business is to get an appropriation for the study and to move forward with it.

I thank you, gentlemen, for yielding.

Mr. HANCOCK. One other comment. One of the things I would like to mention that they mentioned was Highway 71. That is a project that is key to the economic development of this whole area, especially in the southern part. Actually, there is more of it south in Arkansas than there is in my district. But it is a very essential item for the area—this whole tri-state area, and thank you for mentioning it.

The CHAIRMAN. Congressman Greg Laughlin.

Mr. LAUGHLIN. Thank you, Mr. Chairman. I now will have to amend my statements I often make about the Gulf intercoastal waterway in my district. I have always said, you could turn south and go to Mexico or either turn north and go all the way to north of Pittsburgh, Pennsylvania. But, I will also have to say you go north and turn west and go to Tulsa, Oklahoma. I am impressed with what you have.

But, I think you ought to also be aware of another observation we have is we are taking up the Hazardous Material Transportation Act in our Surface Transportation Subcommittee, and that is the waterway system does provide a tremendous relief to our communities and our highways for the transportation of hazardous material. And I am particularly mindful of that because along the waterway system in my district, we have numerous petrochemical plants. If we did not have that waterway system, those toxic chemicals and toxic materials would be going through our communities, going near our schoolhouses and hospitals and homes. And added to the fact that our highways and bridges could not tolerate the weight of those materials, along with the safety factor, I think those of us who are privileged to have the sound waterway system that you have and that we have in Texas should remind the public that there is an additional benefit to maintaining that waterway system.

And when you talk about the Montgomery Point lock and dam, and I have complete compassion for the problems it has for you and the potential loss to your area in that the Corps of Engineers in most areas can readily tell you that I will not talk to them unless they acknowledge the erosion at Sergeant Beach. My district will cripple and abolish the Gulf intercoastal waterway system if we do not get it corrected. And I see you are facing the same thing. And three weeks ago, the Chairman and Mel Hancock heard testimony along those lines.

So, that is the value of these type hearings. I could not have—nor could the other members of this Committee—probably Mr. Hancock and Mr. Hammerschmidt could have because they are neighbors—but, I certainly could not have appreciated the potential loss to this region. Not to the 1st District of Arkansas alone—I mean, Oklahoma—alone, but to Arkansas and Missouri, in addition to Oklahoma. So, it has been of great value to me, and I appreciate the input you all have given us. Thank you.

The **CHAIRMAN**. Thank you, Greg.

Congressman Jim Inhofe.

Mr. **INHOFE**. Mr. Chairman, as I said earlier, the reason for our changing from the—deviating from the normal script and having a tour for half of our hearing was actually seeing it. We have so many things in the 1st Congressional District and throughout Oklahoma that you really have to see to overcome that perception that perhaps the Chairman had when he was going through basic training here. Because you have to come to see it to really appreciate it.

I was trying to get Bob Portiss to say something on the bus tour, Mr. Chairman, about the Montgomery Point lock and dam and about a particular investment we had. I know now why he did not because he is putting the emphasis on us here. And I think you already know that those up here at this table have talked about this problem—about protecting that investment. And for all practical purposes, maybe simplistically stating it, if we do not do that, it is all gone. The entire investment of not just the local region, as we are pointing out, but the entire United States of America.

And with that goes impairment to our nation's security, now that we are looking at this as a military transfer point. And one of the questions that the Chairman had asked. I think I probably would have added to the answer that you gave that if we are able to expand that, that would singularly be a great—have a great positive economic impact on our entire area to enhance that transportation portion of our region. So, we have an investment to protect here, and I think that we have all been able to see it first hand now. And again, Mr. Chairman, I appreciate so much your coming here and seeing these things first hand.

The **CHAIRMAN**. Thank you, Jim.

Well, I want to thank all of our witnesses here today for their expertise and for helping us better understand the importance of our Nation's infrastructure needs from the perspective of the state of Oklahoma. I also want to thank the people of the 1st District for their warmth and hospitality. And Jim, I thank you for your untiring interest and enthusiasm and your staff for their hard work in making today's hearing possible. And John Paul and Greg and Mel, thank you for joining us, and I look forward to tomorrow's hearing in Mel's district.

With that, the Committee stands adjourned. Thank you very much.

[Whereupon, at 6:10 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Travis Freeman

The Oklahoma Perspective:

Moving Oklahoma's Transportation System into the Twentieth Century

September 1990

LET'S GET THERE!

American Transportation: At the Crossroads

On September 30, 1991, the current federal surface transportation program will expire. Over the next several months, the Congress will have the opportunity to rethink the mission of federal surface transportation program, and to reshape those programs into new programs for today's needs.

New transportation ideas must redirect federal transportation programs to meet the challenges of a rapidly approaching new century. The Congress now faces choices that will guide us for the next several decades.

Now that America has successfully built the best transportation network in the world, it must determine how it grows and what role it will play the future success of the United States.

Today, the Interstate Highway System is essentially complete. Begun in 1956, the Interstates were established for military deployment needs in the post World War II era. As interstate and international commerce grew, so did America's dependency on highway transportation for movement of goods and people. We have united our nation through the effective movement of people and goods.

During the past 35 years, however, Oklahoma and our nation have both changed significantly. We have become more metropolitan, and face new economic and environmental challenges. The new Federal-aid Surface Transportation Assistance Act must support our full participation the global marketplace.

During the past decade Oklahoma's transportation challenge has become acute. Our ability to compete effectively in the world and the United States is the challenge presented to our surface transportation system. Oklahoma must be able to address our most important transportation needs:

- Maintaining our existing system

- Improved mobility through increased capacity and reduced congestion
- Preserving and enhancing safety

To better enable Oklahoma to meet these challenges, the new Federal-aid Surface Transportation Assistance Act must:

- Restructure the federal-state partnership and the current federal-aid program
- Revise the formula through which federal funds are distributed to the states
- Increase the levels of federal transportation funding

The Administration Proposal

The current federal administration has recommended a fundamental restructuring of the federal transportation program:

- Giving priority to preserving needed transportation infrastructure
- Maintaining a high level of transportation safety
- Increasing the emphasis on integrated state, local and regional transportation planning
- Ensuring that transportation systems of national significance have the new capacity that is essential to meet critical national needs
- Focusing federal assistance on selected highways of "national significance"
- Shifting to the states an even greater share of the cost burden for building and maintaining the nation's highways and public transportation systems
- Funding transportation improvement through increased user fees, including tolls

- Increasing the rate of expenditure from the Highway Trust Fund
- Increasing state flexibility to design solutions for their transportation problems
- Eliminating federal funding for mass transit operating costs
- Increasing the flexibility in federal financing for other public transportation projects
- Making sound infrastructure management a condition for federal aid

The Oklahoma Perspective

Today about 70 percent of total funding for both highways and public transportation nationwide comes from state and local governments.

Oklahoma has more than 12,300 miles of state highways, 86,000 miles of county roads, and about 1,000 miles of Interstate highways. More than 32.5 billion vehicle miles were travelled in Oklahoma last year over those roads. And they traveled more safely than ever before. Since 1980, Oklahoma has recognized a 46 percent reduction in highway fatalities per million miles travelled.

Dollars spent on transportation do not take money out of the economy; they bring money in! For every public dollar spent to build and operate the nation's roads and bridges, private firms and individuals spend $15. And highway expenditures may also be the best investment Oklahoma can make to attract industry -- better than reducing taxes.

The Federal Role

National defense, interstate and international commerce, and the safety and mobility of our people -- these underlying responsibilities of our federal government should shape the federal role in transportation.

However, federal involvement should support, not inhibit, the creativity that marks the uniqueness of our states. Current program limits and requirement often prevent the most efficient use of federal dollars.

Regardless of funding levels, the future federal role in the transportation partnership with the states should be simple and flexible.

Highways

Rather than the complex structure of the current federal-aid highway program -- which spreads federal highway funding among more than 35 funding categories -- Oklahoma advocates a simpler federal program structure. We join with the American Association of State and Highway Transportation Officials (AASHTO) in recommending a two-part program structure -- a "categorical" or "focused" program and a "flexible" program -- for both highways and public transportation.

The National Highway System (NHS)

The basic reasons for federal involvement in transportation demand a national highway system that is limited in size, but critical to the economic health and international vitality of Oklahoma and of this nation. A single, new categorical highway program would address the needs of the National Highway System (NHS).

The existing 42,800-mile Interstate Highway System would remain the heart of the planned 100,000- to 150,000-mile NHS. However, the NHS must reach out to new population centers and new markets -- to cities like Woodward, Altus, Atoka and Ada. These new economic centers are far from Interstate routes designated more than 30 years ago.

The NHS would extend beyond the Interstate system to include appropriate principal arterial highways. Each state would designate its principal arterial segments to be included in the NHS, following a process established by federal law or regulation.

Selection would be based on criteria that reflect national transportation objectives. The U.S. Department of Transportation (USDOT) would review and approve the state-designated segments.

About 2,300 miles (1.9 percent) of the NHS would be in Oklahoma, if the NHS was a 100,000-mile system. If the NHS grows in size, the Oklahoma share of that system would grow as well.

We are not suggesting an expansion of the Interstate Highway System. Segments of the NHS beyond the Interstate would not necessarily be built to Interstate standards.

Oklahoma recommends that the actual designation of NHS components should take place after the NHS program is created and its funding levels established. Funding apportionments to a state for its NHS would be based on statewide factors other than NHS-system mileage. Thus, the NHS would be decoupled from the formula factors and avoid incentives for a particular state to inflate the size of its NHS segments.

The Flexible Highway Program

National interests in transportation extend beyond the NHS, however. Urban and suburban congestion costs us $73 billion each year, including billions of dollars in Oklahoma alone. Oklahomans in small cities and rural communities need safe and efficient access to the NHS. All Americans deserve consistent safety and quality standards on those highway systems supporting the NHS, and smooth connections among the different forms of transportation.

Especially on this supporting highway network, each state and local government should have the flexibility to meet its unique mix of rural and urban transportation needs.

Through the Flexible Program, the federal government should provide funding assistance to the states for rural/urban highway needs beyond the NHS. States should also have the flexibility to use these funds to meet their public transportation needs.

This concept of a Flexible Program was a response from the Bush Administration to Oklahoma and other governors and transportation leaders when they requested a four-cent turnback in federal motor fuels taxes from the Administration.

This increased flexibility ensures the best use of limited federal resources to preserve and expand our transportation infrastructure. Through the support of the Federal Highway Administration (FHWA) the state highway agencies are now highly competent. These capable state professionals are also closer to their own highway problems than either the Congress or USDOT. They can create more effective solutions and can balance the use of resources among competing needs more effectively.

Project Selection

The structural changes recommended above should eliminate the need for Congress to use "demonstration projects" to address important transportation needs. For example, gaps in today's complex national transportation assistance structure have encouraged Congress to create projects to provide highway access to air and water ports. Under the structure Oklahoma and AASHTO recommend, these projects could be addressed readily through the NHS Program.

Any other projects of special Congressional interest should be authorized by Congress, if at all, only when they meet certain funding and program criteria. Those projects should have:

- High priority in the statewide program of projects
- High priority in the local jurisdiction
- State and local agencies willing to share appropriately in project costs based on expected project benefits

Any demonstration projects established by the Congress within these criteria should be funded from a state's current apportionment of obligational authority.

Accountability

The new federal-aid highway program should assure the Congress that federal funding improves the performance and capacity of the nation's transportation system. Oklahoma agrees with the administration's National Transportation Policy that sound infrastructure management should be a condition for federal aid.

Any federal planning process should allow for the diversity among the states. Each state should be able to prepare and implement its plans using criteria appropriate to its particular circumstances. The plans should be dynamic, multi-modal, and strategic in approach, and should be amendable without sanctions. State reports on the implementation of these plans should substitute for other program controls, such as performance measures, to assure the Congress that federal funds are being used to improve the highway system.

Program Funding

Oklahoma agrees with AASHTO's recommendation on the distribution of federal highway funds among programs. First, a sufficient portion of the total federal funds provided for highways should be set aside initially for a modest (not to exceed two percent of total highway funding) discretionary bridge program, emergency relief, and federal lands roads program. The remaining funds should be divided equally between the NHS Program and the Flexible Program, with a provision to allow up to 20 percent of transfer of funds between the two programs.

Public Transportation

Neither Oklahoma nor AASHTO seek major changes in the current structure of federal assistance to public transportation. We support the American Public Transportation Association (APTA) recommendations to expand the types of projects eligible for federal funding assistance through the current formula program. Formula funding should be available for operating assistance to public transportation programs in rural and small urban areas, and for rehabilitation of existing systems and new transit service needs beyond major metropolitan areas.

In addition to traditional bus and rail transit projects, formula funding should be available for high-occupancy vehicle (HOV) lanes, traffic signal improvements, capital improvements to commuter rail, and transportation system management efforts targeting ride-sharing and transit.

We agree with AASHTO's recommendations that substantial federal financing for public transportation should continue. Public transportation in Oklahoma would best be served if General Revenue funding continues for "formula" public transportation programs (Urban Mass Transportation Act Sections 9, 16b, and 18) (UMTA). We also believe that funding for the UMTA's discretionary program should continue at its present level. Any increase in funding for the federal public transportation program from the Mass Transit Account of the Highway Trust Fund should be distributed by formula.

Federal Fund Distribution Formulas

Consolidating and reshaping federal transportation programs to reflect more effectively our national goals is essential, but not the final answer. The formulas allocating federal program funds to the states were created for another era. Many are based on outdated factors such as land area and rural postal delivery route mileage. Perhaps they were appropriate for Oklahoma and for America in the 1920s. Then, our goal was "getting the farmer out of the mud." Today, one of our challenges is getting a businessman holding an international airline ticket through gridlocked roads to the airport.

Highways

Oklahoma agrees with AASHTO that, in the shift to a new program structure, no state should experience a reduction in basic federal funding. The new Federal-Aid Surface Transportation Assistance Act should ensure that each state will receive at least as much in total federal highway funding under the new program as it received in fiscal 1991, assuming that all states had completed their Interstate highway systems. This minimum funding threshold would not include any Interstate Completion funding above the one-half percent minimum, or any discretionary or demonstration project funding.

The National Highway System

Oklahoma recommends that a particular state's share of National Highway System (NHS) funding should be determined using factors that correlate well with those basic national interests served by transportation. This is critical if sound public policy is to guide the states in designating their NHS segments.

Oklahoma supports AASHTO's recommendation that the formula for the state-by-state distribution of NHS funds use the following factors:

- Total statewide urban and rural lane miles
- Total statewide urban and rural vehicle miles travelled (VMT)
- "Other appropriate factors"

AASHTO did not specify what these "other appropriate factors" should be, or indicate what weight should be given to each of the factors.
However, support for interstate commerce, and the national economic benefits that flow from such support, is one of the principal national interests upon which federal support for transportation rests.

Oklahoma believes that factors reflecting the intensity of heavy truck travel should have significant weight in the NHS allocation formula. Including heavy truck travel as a factor would respond to the major impact trucks have on highway design, construction and maintenance. It would particularly help compensate several western states for the heavy wear and tear on their roadways which serve as a "bridge" for truck traffic between other states.

We believe diesel fuel consumption is the best available indicator of commercial or heavy truck travel. Diesel consumption data are consistently collected and relatively accurate. Therefore, Oklahoma recommends diesel fuel consumption be accepted as the "other appropriate factor" in the NHS allocation formula.

Each of these factors should be assigned a weight in the NHS allocation formula so available funds will be distributed equitably and effectively. The formula should:

- Provide states with the federal funding to meet future transportation challenges without sudden disruptions in their current programs
- Ensure Oklahomans receive a fair return on their transportation investment. For many years, Oklahomans have received significantly less than $1 in federal transportation funding returned to the state for every $1 in transportation taxes and user fees they paid into the Highway and the Transit Trust Funds

Oklahoma supports an allocation system which would distribute NHS funds as follows:

- Two-ninths based on total statewide rural lane miles and vehicle-miles travelled (VMT)
- Four-ninths based on total statewide urban lane miles and VMT
- Three-ninths based on total statewide diesel fuel consumption

To ensure equity and prevent program disruption, we also recommend three minimum funding level guarantees:

- Each state should receive at least one-half of 1 percent of total NHS apportionments
- Each state should receive an NHS apportionment that is at least 85 percent of the state's estimated tax payments into the Highway Account of the Highway Trust Fund. (This recommendation ends the "Donor-Donee" aspect of the Trust Fund, in which some states, donors like Oklahoma, contribute more to the Trust Fund than they are apportioned, while other states, donees, reap apportionments of more than 100 percent of their contributions.)

- Each state should receive at least a 25 percent share of any percentage increase in total program size

To ensure that states with a low population density receive adequate NHS funding to address their special problems, Congress should consider providing a "low population density" supplement to the NHS allocation formula.

The Flexible Program

While providing critical support to important national mobility needs, the Flexible Program pursues objectives that are predominantly related to the state and local transportation system.

A "donor-donee" relationship (see above) among states should be avoided. Each state should simply be allocated a pro rata share of total Flexible Program funds based upon the share of total federal highway user contributions to the Highway Trust Fund attributable to that state. That is, under the Flexible Program, Oklahoma would receive a 100 percent return on its federal transportation tax investment.

To ensure fairness in distributing Flexible Program apportionments, Congress should encourage each state to allocate a portion of its Flexible Program funds to non-state systems.

The portion of Flexible Program funds allocated to those systems, in the aggregate, should initially be no less than the percentage of FY 1991 apportionment of urban funds, secondary funds, and bridge funds made available to non-state systems in that state.

Transfer of Funds Between Programs

No formula can completely accommodate all the differing needs among the states. Oklahoma therefore supports AASHTO's recommendation that each state should have the discretion to shift up to 20 percent of a state's total highway allocation (that is, both NHS and Flexible Program funds combined) either way between the NHS and the Flexible Program. Of course, a state exercising this option should be required to inform FHWA of the transfer.

Interstate Program Transition

Although we recommend eliminating the Interstate Highway Program as a special program category, we recognize existing federal commitments to that program. For the National Highway System to function, the Interstate Highway System must be completed. An estimated $3 billion to $5 billion beyond current authorizations will be required to complete the designated Interstate System.

Therefore, we recommend a transitional Interstate Completion Program be continued as a separate category within the NHS. States which have completed their Interstate System should not be penalized in the apportionment of Interstate Completion funds.

Public Transportation

Oklahoma recommends that any increase in the public transportation program funding from the Mass Transit Account of the Highway Trust Fund be distributed to state and local governments by a new formula. Any increased funding should be distributed:

- One-half according to the current Section 9 formula, and
- One half based on that state's relative portion of the nation's population

Transportation Funding

Today, our transportation infrastructure is wearing out, and the cost of moving goods to markets threatens our economic competitiveness. Infrastructure investment needs in Oklahoma are staggering.

If we assume a cost of operation of 50¢ per mile, it costs $182,000 each year if 200 trucks a day are required to detour five miles around one structurally deficient bridge. If 2,000 cars must also take the detour each day, the cost is an additional $730,000 annually. And today, more than 240,000 of America's 575,000 highway bridges -- 12,000 in Oklahoma alone -- are structurally deficient and should be closed or restricted to light traffic, or are functionally obsolete.

Oklahoma agrees with AASHTO that the level of federal investment in highways and public transportation must be increased. However, we believe this increase in federal investment should not require an increase in federal highway user fees until five conditions are satisfied:

- Reaffirm the dedication of the receipts from current and future federal highway taxes and user fees to transportation purposes. We must keep "trust" in the Highway Trust Fund

- Make the full balance of the Highway Trust Fund (limited only by the anti-deficit provisions of the Byrd Amendment) available to the states for obligation. The U.S. General Accounting Office estimates that highway commitments could be increased by $7.4 billion without violating the Byrd Amendment

- Repeal the exemption of ethanol-blended gasohol and other alternative fuels from 6 cents of the current 9.1 cents per gallon federal excise tax on gasoline. This "free ride" for certain highway users costs the Highway Trust Fund $650 million in revenue in 1987, and more than $3 billion since 1979

- Improve the effectiveness of collection procedures for the federal motor fuel tax. Despite recent changes in the federal highway tax collection mechanism, the Highway Trust Fund continues to lose hundreds of millions of dollars each year through organized tax evasion and inadequate collection procedures

- Give states the opportunity to increase fuel and road user taxes at the state level to off-set the shortfall in transportation financing

Highways

If these steps are taken, federal funding for highways can be increased significantly for the next several years without raising the federal excise tax on motor fuels. Oklahoma endorses

AASHTO's recommendation that the federal highway program be increased from its current level -- approximately $13 billion annually -- to approximately $18 billion in fiscal year 1992.

At the $13 billion funding level, Oklahoma would receive approximately $218 million, an increase of about $27 million over FY 1990 funding levels. With AASHTO, we further recommend continued gradual increases to approximately $26 billion in fiscal year 1995.

Oklahoma would receive approximately $435 million, an increase of almost $244 million over FY 1990 funding levels. These increases -- until at least 1994 -- are available without new federal revenues.

Public Transportation

Although Oklahoma recommends that substantial federal financing for public transportation should continue, we do not support APTA's recommendation to increase the federal excise tax on motor fuels to fund public transportation.

The Bottom Line

Today, Americans enjoy the convenience and economic benefits of a transportation system second to none. This system was made possible largely through a long-standing cooperative partnership among federal, state and local governments.

Today's economic world is more competitive than ever. A safe, high-quality, highly efficient transportation network is needed if our state and nation are to remain competitive. Such a network is essential to the mobility of the American people and to their ability to ship American materials and products. These activities are basic to our quality of life.

Good transportation alone is not the only answer, but it is essential.

Our country now has a choice. We can work and plan our way into a successful future. But we must act quickly to meet the new transportation challenges of tomorrow. We must:

- Restructure the federal-state partnership and the current federal-aid program

- Revise the formulas through which federal funds are distributed to the states

- Increase the levels of transportation funding

Let's Get There, Oklahoma!

TESTIMONY OF
BRENT KITCHEN, AIRPORT'S DIRECTOR, TULSA AIRPORT AUTHORITY
SUBCOMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
TULSA AIRPORTS INFRASTRUCTURE NEEDS
AUGUST 30, 1990 - TULSA, OKLAHOMA

Tulsa has a proud aviation history that has created a major air transportation center and an aerospace industry that is the region's largest employer and greatest economic generator.

Tulsa International Airport (TUL) is classified as a medium hub airport having seven major airlines that serve over 3 million passengers annually from portions of four states (Eastern Oklahoma, Northwestern Arkansas, Southwest Missouri and Southeastern Kansas). In addition, four air freight airlines along with the passenger airlines carried 60,000 tons of air freight to and from TUL last year. Air Freight is the fastest growing segment of aviation in Tulsa with a growth rate of 20 to 30% per year.

A total of 52 aviation related business currently operate on TUL. These business provide 17,000 aerospace jobs having an annual payroll of over $1/2 billion. Tulsa's Aerospace Industries contribute nearly $3 billion annually to the region's economy. American Airlines is the state's largest private employor with their Maintenance & Engineering Center and their Sabre II Reservation System located on the airport. Both of these facilities are the largest and most modern of their kind in the free world. American continues to expand these major facilities as well as their accounting center in Tulsa. McDonnell Douglas and Rockwell have large Aerospace manufacturing facilities on the airport that are major contributors to the nation's aerospace and defense industries. Because of these industries and others, Tulsa has become a leader in the manufacture of spaceage composite materials and produces more flight simulators than any other city.

Jones/Riverside (RVS) is Tulsa's reliever airport and is the busiest airport in the state serving 500 based private and corporate aircraft. This airport has 23 aviation businesses including a major flight training school. Spartan School of Aeronautics has 600 flight students, as well as aircraft and avionic maintenance programs. The main runway at RVS will be extended later this year to accommodate general aviation jet aircraft. Federal matching funds make this project possible and we are anticipating the installation of an ILS by the FAA in 1991.

All this would not have been possible and cannot be sustained without continued funding commitments to improve our airports facilities. The Airports Capital Improvement Program identifies 21 projects totaling $150 million needed over the next 7 years. This program has two very large projects which include the construction of an additional air carrier runway and the acquisition of property for noise abatement and airport development purposes. TUL currently exceeds peak hour capacity during certain periods of the day and with just normal growth, (4%) annual capacity will be exceeded by 1997. The additional runway will have four major benefits: (1) increase capacity; (2) reduce noise levels to a compatible level for 3,000 persons in adjacent residential neighborhoods; (3) open up an additional 400 acres of prime developable industrial land located directly beside a major runway; and (4) reduce flooding on industrial lands on and off the airport.

In addition, the airport authority plans to conduct a site selection study for the second reliever airport and a downtown heliport/vertiport to accommodate the forecasted aviation demands of the Tulsa Metropolitan area.

These projects will not be constructed without a reliable funding source. It is for this reason that we commend you for recently passing the Federal Aviation Administration/Airport Improvement Program (FAA/AIP) reauthorization bill (H.R. 5170) and its Passenger Facility Charge (PFC) provisions for continued funding of necessary airport capital improvement projects. We are hopeful that the Senate will demonstrate the same leadership of providing the PFC provision as a local funding option and the spending down of the aviation trust fund surpluses for airport development needs.

I would also like to go on record in support of the FAA as the primary federal agency responsible for federal programs that relate to airports. The FAA, in my opinion, has performed exceptionally well over the years in assisting airport operations with safety, security, construction and funding programs. It is very important that this continuity of administrating federal programs be maintained.

Thank you for your consideration of these important issues.

TULSA AIRPORTS IMPROVEMENT TRUST
CAPITAL IMPROVEMENT PROGRAM SUMMARY
1990 - 1994
(ALL FIGURES IN THOUSANDS)

PROJECT & PRIORITY	FUNDING	COST THRU 1989	1990	1991	1992	1993	1994	- TOTAL
1. TUL - AIR *CARRIER RUNWAY	TAIT	750	1,400	1,400	4,962	5,327	4,385	18,224
	FAA	0	0	0	14,888	15,983	13,155	44,026
	TOTAL	750	1,400	1,400	19,850	21,310	17,540	62,250
2. TUL - LAND ACQUISITION	TAIT		4,180	4,180		1,250	2,500	12,110
	FAA		3,420	3,420		3,750	7,500	18,090
	TOTAL		7,600	7,600		5,000	10,000	30,200
3. TUL - TERMINAL RAMP AND RUNWAY REPAIRS	TAIT		675					675
	FAA		225					225
	TOTAL		900					900
4. TUL - SECURITY FENCING AND GATES	TAIT		125					125
	FAA		375					375
	TOTAL		500					500
5. TUL - NORTH SEWER MAIN	TAIT		700					700
	FAA		0					0
	TOTAL		700					700
6. TUL - GENERAL AVIATION PAVEMENT REHAB.	TAIT		825					825
	FAA		2,475					2,475
	TOTAL		3,300					3,300
7. TUL - FACILITY MAINTENANCE BUILDING	TAIT			1,000				1,000
	FAA			0				0
	TOTAL			1,000				1,000

PROJECT & PRIORITY	FUNDING	COST THRU 1989	1990	1991	1992	1993	1994	-	TOTAL
8. RVS - APRON	TAIT			200					200
RECONST., TAXIWAY	FAA			1,800					1,800
LIGHTING & TAXILANES	TOTAL			2,000					2,000
9. RVS - DRAINAGE	TAIT			1,100					1,100
IMPROVEMENTS	FAA			0					0
	TOTAL			1,100					1,100
10. TUL - EXTEND	TAIT			750					750
CARGO APRON	FAA			2,250					2,250
	TOTAL			3,000					3,000
11. TUL - CONSTRUCT	TAIT				1,200				1,200
CARGO BUILDING	FAA				0				0
	TOTAL				1,200				1,200
12. TUL - RECONSTRUCT	TAIT				750				750
AND EXTEND TAXIWAY	FAA				2,250				2,250
JULIET	TOTAL				3,000				3,000
13. TUL - RUNWAY SENSORS,	TAIT				250				250
LIGHTED DIST. MARKERS	FAA				750				750
AND PAPI SYSTEM	TOTAL				1,000				1,000
14. TUL - TENANT	TAIT				250	250	250		750
IMPROVEMENTS	FAA				0	0	0		0
	TOTAL				250	250	250		750
15. TUL - RECONSTRUCT	TAIT					1,000			1,000
AND RELOCATE TAXIWAY	FAA					2,000			2,000
WHISKEY	TOTAL					3,000			3,000
16. RVS- CONSTRUCT SOUTH	TAIT					200			200
AIRPARK TAXIWAYS	FAA					1,800			1,800
	TOTAL					2,000			2,000

PROJECT & PRIORITY	FUNDING	COST THRU 1969	1990	1991	1992	1993	1994	-	TOTAL
17. TUL - CONCOURSE A & B EXTENSION	TAIT					7,000			7,000
	FAA					0			0
	TOTAL					7,000			7,000
18. TUL - RUNWAY 8/26 EXTENSION	TAIT					250			250
	FAA					750			750
	TOTAL					1,000			1,000
19. TUL - WEST DRAINAGE IMPROVEMENT	TAIT						500		500
	FAA						0		0
	TOTAL						500		500
20. TUL - RESEAL GENERAL AVIATION PAVEMENT	TAIT						100		100
	FAA						300		300
	TOTAL						400		400
21. TUL - TAXIWAY X-RAY EXTENSION	TAIT						1,000		1,000
	FAA						3,000		3,000
	TOTAL						4,000		4,000
GRAND TOTAL	TAIT	750	7,905	8,630	7,412	15,277	8,735	-	48,709
	FAA	0	6,495	7,470	17,888	24,283	23,955	-	80,091
	TOTAL	750	14,400	16,100	25,300	39,560	32,690		*128,800

* Does not include Runway construction cost for 1995 and 1996 estimated to be $22,000

TESTIMONY PRESENTED TO THE CHAIRMAN OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

THURSDAY, AUGUST 30, 1990

TULSA, OKLAHOMA

Prepared Statement of Donna Peters

TULSA COUNTY CAPITAL IMPROVEMENT PROGRAM/INFRASTRUCTURE NEEDS

PRESENTED BY THE

INDIAN NATIONS COUNCIL OF GOVERNMENTS

TULSA COUNTY CAPITAL IMPROVEMENT PROGRAM/INFRASTRUCTURE NEEDS

Introduction

Thank you for providing INCOG with the opportunity to testify. I represent the Indian Nation's Council of Governments (INCOG) which serves five counties and 44 local governments. The mission of INCOG is to provide local and regional planning, information, coordination, communication, implementation and management services to member governments and their constituent organizations through a voluntary assembly of area elected officials and their appointees, resulting in the enhancement of public and private decision-making capabilities and the solution of local and regional problems. Our budget is $2.4 million, and is comprised of 78% local, 19% federal, and 3% state funds.

You've heard from Mayor Randle about the City of Tulsa's capital improvement needs, and received testimony from other selected area mayors. Our comments will focus on counties, and though we will principally discuss Tulsa County, much of our testimony will apply to surrounding counties as well.

Demographics

Tulsa County is the central county in the five county Metropolitan Statistical Area (MSA), which has a population of approximately 750,000. Tulsa County has a population in excess of 500,000. Like many metropolitan areas, the Tulsa MSA has experienced rapid growth over the last two decades, particularly in our suburban communities and adjacent counties. Unlike many other metropolitan areas, our central city, Tulsa, has also continued to grow, although at a somewhat slower rate.

At present, Tulsa County is designated as a non-attainment area for the pollutant ozone. Through concerted state and local efforts, significant improvement to our air quality has been attained. In fact, Tulsa County has been in compliance with air quality standards for the past three consecutive years, and is in the process of being redesignated as an attainment area. This is vitally important to the city, county, and region for future economic development. Further comments related to the air quality issue will be made later in our remarks.

County Government Finances

Unlike cities, whose primary sources of revenues are sales tax or utility fees, Oklahoma counties must rely on property taxes for revenue. The primary financing mechanism for counties is a millage levy, which is limited by the Oklahoma constitution to 10 mills. Like most, if not all counties in Oklahoma, Tulsa County is currently at the 10 mill limit.

The millage from property taxes is used almost exclusively for operations, which is essential to sustain a minimal level of county administration. As a result, Tulsa County has virtually no source of funding for capital improvements.

Tulsa County's General Fund Budget has not been able to keep pace with inflation since the mid-1980s. The budget for FY'91 is lower than the FY'86 budget, and reflects a 5.5% reduction from FY'90. As a result, the continued provision of county services at past operational levels has been exceedingly difficult, if not impossible, to maintain. The county's ability to continue competitive salaries has also been seriously hampered, threatening the stability of county services and productivity.

Declining real estate values have resulted from the state's depressed economy, and occurred in the aftermath of the oil bust of the early 1980s. Because of this, the state legislature sought to provide assistance to counties by authorizing counties with populations under 300,000 to levy up to a 2% sales tax with a vote of the people. This enabling legislation, however, precludes the use of this revenue source for Tulsa and Oklahoma counties, the state's two largest.

As you can see, options for funding infrastructure by county government are limited, and especially for large urban counties such as Tulsa County.

Tulsa County Capital Improvement Program Process

Nonetheless, recognizing that prudent planning for and managing of public facilities avoids crises and major replacement costs, the Tulsa County Board of Commissioners approved the concept of a Capital Improvement Program (CIP) for Tulsa County in late fall of 1988.

Capital improvements programming is the tool for coordinating future capital development with annual financial budgeting. It provides policy makers with the needed information to make difficult decisions, especially in periods of scarce financial resources.

In the Tulsa County Capital Improvement Program, four entities are involved in developing the final inventory of needs: a Technical Advisory Committee, the Citizen Overview Committee, the Tulsa Metropolitan Area Planning Commission, and the Tulsa County Board of Commissioners.

Each entity serves a specific purpose in the process:

*The Technical Advisory Committee collects and ranks the list of proposed Capital Improvement Projects, develops the draft Capital Improvement Program and makes recommendations for funding sources.

*The Citizens Overview Committee monitors project implementation and prepares an annual progress report to be presented to the Board of County Commissioners.

*The Tulsa Metropolitan Area Planning Commission reviews each proposed project to ascertain compliance with the Comprehensive Plan, ranks the projects in accordance with the Comprehensive Plan, and coordinates project scheduling with the City of Tulsa's Capital Improvement Program projects.

*The Board of County Commissioners holds a public hearing which serves a twofold purpose: to receive the Annual Progress Report from the Citizens Overview Committee and to solicit further citizen input into the Capital Improvement Program process.

Tulsa County Capital Improvement Project Needs

In January, 1990, the Board of County Commissioners received a final list of capital improvement needs for Tulsa County.

The CIP process established three categories of need: Urgent, Essential and Deferrable. Urgent projects were those needed immediately in order to maintain current service levels or mitigate a danger to public health and safety. Essential projects were those which would correct a serious deficiency of adopted county service standards, and those that are legally required but not an immediate threat to public health and safety. Deferrable projects were those which are needed for ideal operation but which can be postponed without substantial harm to present services.

The most pressing need for the County is a new jail and related juvenile justice facility. The present county jail was built in the 1950s. Maximum capacity of the jail is 550 beds, based on state jail standards and a federal court order. The county population in 1950 was 251,686, or half of what it is today. Despite continued heavy reliance on alternatives to incarceration, the jail population is projected to reach 1,150 within the next 20 years.

In addition to the need for a larger county jail, County Commissioners identified a total of $77.9 million Urgent projects; $5.6 million Essential projects; and $4.6 million Deferrable projects, for a grand total of $88 million in capital improvement projects.

The major Urgent projects were for road improvements which totalled $54.6 million, followed by bridge rehabilitation ($16.7 million); a health clinic for near north Tulsa ($1.9 million); and improved garages ($1.7 million).

The major Essential projects were also for road improvements and totalled $3.4 million, followed by a health clinic for east Tulsa County ($1.3 million).

The major Deferrable project was for an upgrade of Tulsa County's data processing system, and totalled $1.6 million, followed by health clinics for north and south Tulsa County ($1.3 million each).

The Board of County Commissioners deferred action on the majority of these Capital Improvement Program recommendations until a source of funding could be identified. Tulsa County has not received any significant amount of funding for capital projects in ten years.

Financing Gaps

Historically, the major source of revenue for counties was General Revenue Sharing (GRS). At present, the only federal money available is limited Community Development Block Grant (CDBG) funds, which are made available through the state. Tulsa and other area counties have participated in the CDBG program to further economic development through improved infrastructure and loans to businesses, and by assisting rural water and sewer districts in meeting serious infrastructure needs. Federal transportation programs funded with the gasoline tax provide some financial assistance to counties for highways and bridge improvements. Since the demise of GRS funding in FY 1986-87, counties have been hard-pressed to finance capital improvement projects. Table 1 shows the historical trends for GRS funds received between 1972 and 1988 by Tulsa County. The funding level reached its highest in FY 1977-78 at $3.6 million. However, this level of funding declined to slightly over $2.0 million annually during the early 1980s until the program ended in FY 1986-87 when $.7 million was received by the County. The Office of the County Clerk estimates that the county traditionally used 60% of their GRS funds for capital improvements, and 40% for social programs. It should be noted that funding for capital improvement projects had ended approximately six years earlier, with GRS monies funding only social programs in the later program years. By policy, Tulsa County did not use GRS funds for operating expenses.

Table 2 lists the capital improvement projects for Tulsa County constructed between fiscal years 1984 and 1988, which had funding sources other than GRS. Cost of these projects totalled approximately $8.0 million. Combining the estimated GRS financing for capital improvement projects with other sources of financing during this period yields a gross estimate of $2.5 million expended annually for capital improvements.

As noted before, it is apparent that the current level of funding is insufficient to address the county's capital improvement needs. Some other means of financing must be found.

Issuing General Obligation (G.O.) Bonds is the classic method available to counties to finance capital improvement projects. By Oklahoma constitution, however, G.O. Bonds issued by county government must be approved by 60% of the voters. Cities, by contrast, are only required to obtain a simple majority of voter approval for public utility projects, including streets and bridges.

Tulsa County has attempted, without success, to use G.O. Bonds to finance needed jail improvements in recent years. In 1987, a jail bond issue garnered 57% voter approval; in 1989, a similar issue garnered 49% voter approval.

Creek and Osage County Capital Improvement Project Issues

Creek and Osage counties are experiencing a similar lack of funding resources. Further, they are not as advanced in the development of their Capital Improvement Program process because of their limited fiscal base.
A key economic issue for these counties is access to Corps of Engineers lakes (Kaw, Birch, Heyburn and Skiatook Reservoirs). Although some funds have been expended for public improvements to various lake areas, "getting from here to there" has been an obstacle. The increased demand by recreational users for access to Corps lakes is putting pressure on county roads and highways. This demand is consistent with one of the beneficial uses of Corps facilities for recreation as established by Congress. Further development of these recreation areas would necessitate access improvements to county roads.

In addition, the development of the Tallgrass Prairie National Preserve in Osage County, currently under consideration by the National Park Service, will place substantial access pressures on Osage County.

The 50,000+ acre preserve would be the only one of its kind in the nation and would consist of a tallgrass prairie ecosystem, embodying American Indian policy in Oklahoma, westward expansion, the cattlemen's empire, and development of the oil and gas industry. Co-existing activities might include camping, fishing, hunting, horse rides, wagon rides and food services.

Once developed, it is expected that the preserve would generate an initial average annual visitation of 300,000, and go up to 700,000 by the time full development is achieved.

Summary

New funding sources must be identified for future capital improvements. Improvements to public facilities and expansion of services will most likely have to be paid for by the same public that benefits from them. Continued deterioration of existing infrastructure, along with increasing demand for new facilities and additional services won't go away just because the public doesn't want to pay. The Federal government should assist local governments in addressing capital improvement needs.

For your consideration, we respectfully offer the following observations and recommendations.

Recommendations

*INCOG has closely followed the proposed Clean Air legislation, and we support efforts to enact a new Clean Air bill. We encourage the Conference Committee to resolve remaining differences in a timely fashion. Of particular concern to us in these deliberation is how "transitional areas" such as Tulsa County will be treated. It is our understanding, based on both the EPA and State Health Department analyses, that House language would leave us in a transitional status until 1992. We understand that the Senate language on transitional areas may be more favorable to areas such as Tulsa, and we would encourage adoption of the Senate language. Achieving redesignation at the earliest possible date, rather than waiting until 1992, is of critical importance to economic development efforts in our region.

*We also believe that it is important that the "conformity" determination in the Clean Air Bill involving transportation be done on an overall program or plan basis rather than on a project-by-project basis. As a result, we strongly support the House language which we believe addresses this issue. Further, we urge that plan or project approvals involving transportation projects should be accomplished through a collaborative process involving both the Department of Transportation and the Environmental Protection Agency.

*We would also encourage retention of flexibility in the use of CDBG monies, without tighter targeting requirements as proposed by the Administration. Retaining existing flexibility in the CDBG program is necessary to meet the most crucial community development needs and clearly focuses resources on meeting needs of low and moderate income persons.

*In deliberations regarding future surface transportation legislation, we urge that consideration be given to addressing problems of mobility, not just between suburbs and inner city, but to meet the future transportation needs involving suburban cities and outlying activity centers.

*We think it is also appropriate to consider an increase in the federal gasoline tax which would address energy conservation demands as well as reduce the federal deficit. Additional funds generated should be used for transportation programs to the maximum extent possible, and to meet other infrastructure needs. Future consideration should be given to direct pass-through of funds to central cities and urban counties in the form of transportation block grants.

*Continued funding for area-wide water and air quality programs is also important. We would urge Congressional consideration for pass-through provisions for Section 604(b) funding for water quality planning programs similar to that provided in Section 205(j) of the Clean Water Act. We understand that your committee will be considering this issue and we would be happy to offer more specific information and recommendations at a later date.

*Finally, we also encourage the Federal government to look seriously at supporting regional planning efforts and promoting cooperation among local governments. The issue of solid waste and drug enforcement planning and program implementation comes to mind in this area.

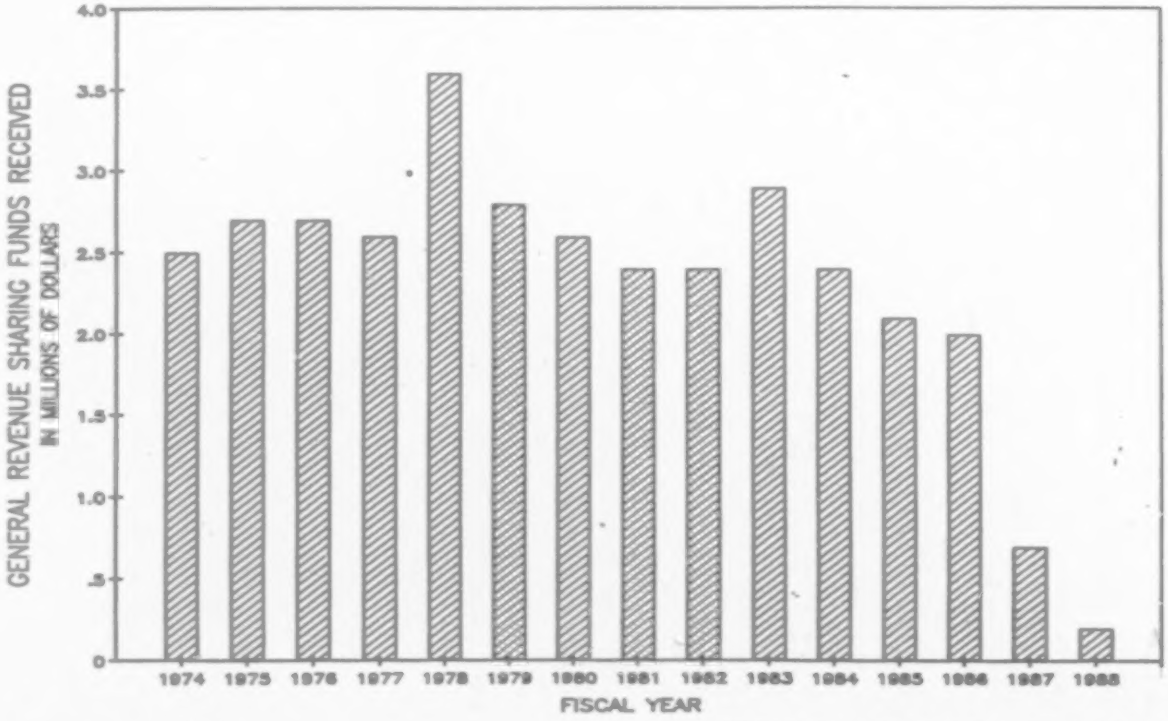
We appreciate your interest in hearing about issues of concern to the Tulsa area. We would be happy to provide any additional information that you may need.

TABLE 1

TULSA COUNTY

GENERAL REVENUE SHARING FUNDS RECEIVED

1974-1988



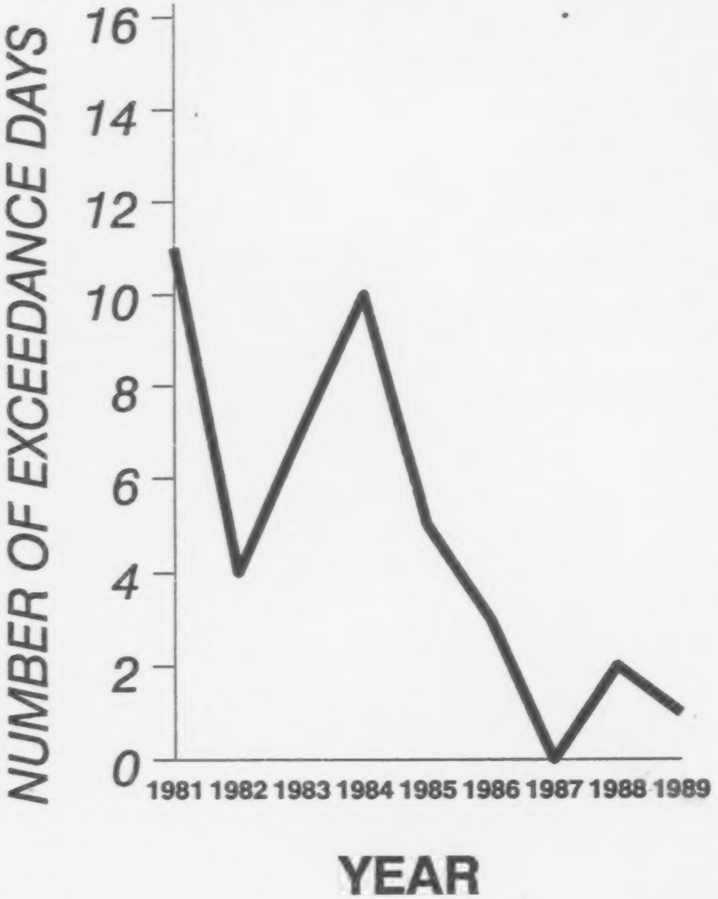
SOURCE: County Clerk of Tulsa County, Oklahoma

Table 2

Tulsa County
Other Capital Improvements Projects
Revenue Sources and Expenditures
Fiscal Years 1984-88

BRIDGE CONSTRUCTION FUNDS (STATE REIMBURSED)		
1984-85	Bridge	$ 100,000.00
1985-86	3 Bridges	238,128.00
1986-87	2 Bridges	167,500.00
1987-88	2 Bridges	200,000.00
HIGHWAY FUNDS (FEDERAL REIMBURSED)		
1986-87	Levy Construction	768,990.00
PARK FUND REVENUE BOND		
1987-88	Park Development	4,500,000.00
SHERIFF'S REVOLVING ACCOUNTS (FEES)		
1984-85	Jail Structure Change	1,640,000.00
PARK		
1984-85	LaFortune Gardens	
	-- Sale of Other Property	108,000.00
	-- Grant Bureau of Recreation	45,000.00
	-- Park Funds	43,000.00
	-- Gift	100,000.00
TOTAL		$7,910,618.00

OZONE EXCEEDANCES DROP



Source: Tulsa City-County
Health Department

INCOG GRAPHICS

TULSA COUNTY
CAPITAL IMPROVEMENTS PROJECTS

DEPARTMENT	PURPOSE	URGENT & FY NEEDED		ESSENTIAL & FY NEEDED		DEFERRABLE & FY NEEDED		DEPT/DIV TOTAL NEEDS
Commissioners								
Adm Ser	Replace equip	7,500	89/90	86,000	89/90			
	Replace equip			325,000	90/91			
	Replace equip			61,000	91/92			
								479,500
Highways	Improve roads	54,370,500	89/90	1,300,000	89/90			
	Improve roads			1,936,475	90/91			
	Bridges: Rehab	16,716,016	89/90					
	Improve garages	1,630,000	89/90					
								76,372,991
Parks	Gardens/LaF			70,000	90/91			
	Wedding Chapel			65,000	91/92			
	LaF Golf Course Irri System	700,000	89/90					
	Haikey/Picnic Shelt & Pk Lot					30,000	89/90	
	LaF Tennis Court Lighting					36,000	90/91	
	Lighting Sport Flds Various Parks					30,000	90/91	
	"					40,000	91/92	
	"					30,000	92/93	
	Pool Bathhouse Imp Chandler Park	30,000	89/90					
								1,111,000
Data Proc	Replace wiring Comm & Ctlrs					200,000		
	Upgrade System					1,600,000		
								1,800,000
Bldg Ops	Asbestos Abate	300,000	89/90					
								300,000
Sheriff	Minimum Sec Jail	220,000	89/90					
		70,000	90/91					
		70,000	91/92					
		70,000	92/93					
		70,000	93/94					
								500,000
Dr. Dist.#12	Levee Cond Analysis	75,000	89/90					
	Levee Rehab	1,273,030	89/90					
								1,348,030
Health	Autoclave	30,000	89/90					
	Office/Clinic Near North Tulsa*	1,850,000	89/90					
	Office/Clinic North Tulsa County*					1,285,000		
	Office/Clinic South Tulsa County*					1,285,000		
	Office/Clinic East Tulsa County*			1,285,000				
	Storage Facility*			116,300				
	Expand Clinic Wait. Areas & Remodel for Handicap access C'ville & Sand Springs			46,300				
	Replace retaining wall, sidewalk**; 1st Floor restroom remodel.for handicap access, Main Center			72,700				
								5,970,300
COLUMN TOTALS		$77,930,446		$5,363,775		$4,590,000		$88,089,021

* INCLUDES LAND PURCHASE AND CONSTRUCTION
** SAFETY HAZARD

RECAPS

Adm. Serv	$ 479,500
Highways	76,372,991
Parks	1,111,000
Data Proc	1,800,000
Bldg Ops	300,000
Sheriff	500,000
Dr.Dist.#12	1,348,030
Health Dept	5,978,300
	$ 88,089,021

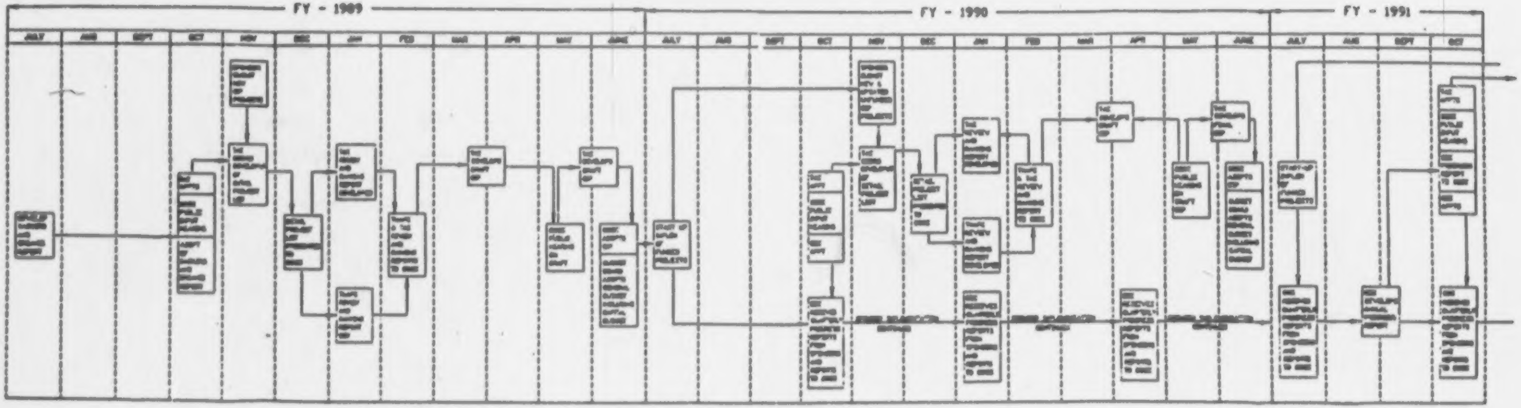
Equip Replace	1,309,500
Roads (48.5 mi)	58,006,975
Bridges (68 struct)	16,716,016
Asbestos Removal	300,000
Sports Fld Light	176,000
Min Security Jail	500,000
Golf Irri System	700,000
Park Rec Improve	235,000
Hwy Dist Shop Improve	1,630,000
Levee Analysis	75,000
Levee Rehab	1,273,030
Health Storage	116,300
Health Const/Improve	5,831,000
	$ 88,089,021

FY 89-90	$ 79,286,046
FY 90-91	2,307,475
FY 91-92	236,000
FY 92-93	100,000
FY 93-94	70,000
UNSURE	5,090,300
	$ 88,089,021

TABLE 9

TULSA COUNTY

CIP DEVELOPMENT AND ANNUAL UPDATE PROCESS


FY - 1989
FY - 1990
FY - 1991

Infrastructure Field Hearing
Campbell City Council Building
August 30, 1990

PANEL IV - Waterway Needs

Testimony of Robert W. Portiss

Mr. Chairman and other distinguished members of the Public Works and Transportation Committee, my name is Robert W. Portiss. I am employed by and report to the City of Tulsa-Rogers County Port Authority, as their Port Director for the Tulsa Port of Catoosa. On behalf of our Board and staff, I am very honored to have an opportunity to present testimony at this, your Infrastructure Field Hearing.

The Port is owned by the citizens of the City of Tulsa and Rogers County who, in the late 1960's, collectively invested $21.2 million in general obligation bonds to acquire 2,000 acres of land and to construct the initial infrastructure necessary to begin operation of its river port.

This major investment was made, in part, to fulfill our metropolitan area's commitment to provide a public port in return for the federal government's construction of the 445-mile long McClellan-Kerr Arkansas River Navigation System at a cost of $1.2 billion.

Located at the head of navigation for this waterway, the now twenty year old Tulsa Port of Catoosa has 45 industrial facilities on-site employing approximately 1,400 people whose combined annual payroll exceeds $25 million. Total public investment now stands at $26 million and total private investment at $165 million.

The Port offers cargo handling and distribution services by rail, trucks and barge with air afforded through the Tulsa International Airport located a mere seven (7) miles away.

As a result, the Port has evolved into a regional manufacturing and distribution center having handled 24 million tons of cargo in 16,000 barges since opening for business in December, 1970. Much of this cargo has either been shipped to or received from areas as far north as North Dakota.

Equally impressive as the Port itself is the greater then eight percent (8%) return on investment to our Nation from the multi-purpose McClellan-Kerr project due, in part, for the flood control protection provided by the three large reservoirs (Eufaula, Oologah, and Keystone) constructed as part of this project together with navigation, recreation, municipal water and wildlife conservation benefits.

Unfortunately, however, greater benefits will not be forthcoming unless the Federal Government constructs Montgomery Point Lock and Dam in the entrance channel to the McClellan-Kerr. In fact, without this structure, barge navigation will cease since, as the U. S. Army Corps of Engineers has officially documented, the surface elevation of the Mississippi River is projected to drop fifteen (15) feet over the next thirty (30) years, a distance equal to the current depth of the White River entrance channel. It would simply be ludicrous for the Congress to allow that to happen! Not only would a substantial portion of a national investment be lost, but so would the hundreds of millions of dollars invested in private industrial and barge terminal facilities along our Waterway.

I realize that in many respects these remarks could be construed as "preaching to the choir" since your Public Works and Transportation Committee is already supporting this project as evidenced by Chairman Anderson's statement before the Congress clarifying for the record that Montgomery Point Lock and Dam was in fact originally authorized in 1946 as part of the then approved multi-purpose Arkansas River Navigation Project. Nevertheless, we must continue to repeat the information in hopes that the entire Congress will soon appreciate the critical need for Montgomery Point Lock and Dam and therefore approve the approximate $163 million for its construction. Thusfar, as of August 1990, in addition to your invaluable assistance, the House Energy and Water Subcommittee has submitted and received approval by the entire House for a $1 million appropriation for the 165 acre land acquisition portion of this project. We are now working towards similar approvals in the Senate. With the Corps feasibility report to be released shortly, we are hopeful the Senate will endorse this $1 million start and be receptive to approval of construction monies the next fiscal year.

Thank you for your interest and ongoing assistance. Special thanks is also extended to Congressman Jim Inhofe for affording us this opportunity to testify before this important Congressional Committee.

Robert W. Portiss

Robert W. Portiss
Port Director

STATEMENT OF RODGER A. RANDLE
MAYOR OF THE CITY OF TULSA, OKLAHOMA

TO: Committee on Public Works and Transportation
United States House of Representatives
Congressman Glenn Anderson, Chairman

FOR: Hearing on Infrastructure Needs
Tulsa, Oklahoma
Thursday, August 30, 1990

Thank you for this opportunity to appear before your committee and discuss our urgent needs relating to the infrastructure.

As you know, the health and welfare of a city depends in large measure on these infrastructure systems -- water and sewer lines, storm sewers, streets and sidewalks, solid waste incinerators, and the like. In many cases these systems are hidden, and we all take them for granted until they fail.

The City of Tulsa faces a tremendous backlog of unmet needs relating to infrastructure capital replacement, expansion, maintenance, and operation. We are still cataloging specific projects, but our needs over the next decade or so clearly top $1.6 billion -- or, for our city of 360,000 residents, somewhere around $4,500 for every man, woman and child.

I'd like to briefly touch on three areas today:

1. Some of our local infrastructure goals, programs, and priorities.
2. Our local sources of funds for infrastructure.
3. Some of the urgent constraints that prevent us from meeting our infrastructure needs.

1. INFRASTRUCTURE GOALS AND NEEDS

I would like to submit to you two documents we have recently prepared that include information that may be helpful to you:

-- A summary of Tulsa's five-year capital plan, covering the years 1991-1995, that includes a list of $1.6 billion in capital projects needed in our community. Nearly all those projects relate directly to our infrastructure. That list does not, however, include most of our operating and maintenance needs relating to our infrastructure. It does not include many facilities that have become functionally obsolete and need to be replaced. It also does not include some projects recently identified to meet federal requirements in the Clean Water Act and the Safe Drinking Water Act.

-- I also am submitting our most recent proposal to finance part of those needs. This report summarizes our recommendations for an extension of our five-year, extra penny sales tax, earmarked for capital needs. This report is currently under consideration by Tulsa's City Council, and we recommend the package be submitted to voters December 4, 1990. If approved, this temporary tax could provide more than $200 million for capital improvements, replacement, and maintenance, nearly all in the category of infrastructure.

Our goals in infrastructure management include:

A. Operation and maintenance to keep the systems operating at current capacity, to prolong useful life, and to protect our investment.

-- We estimate, for example, that our 4,000 lane-miles of streets constitute a $4 billion asset, one which needs improved maintenance. But our studies, still underway, indicate that 44 percent of our major streets need to be resurfaced, and 3% need to be completely replaced. If we delay maintenance, deterioration accelerates, and costs spiral upward rapidly. If we delay even two years, for example, we will need to resurface 53% of those streets and to totally replace 11%. Our present backlog of street maintenance is estimated to be $60 million. If we wait two years with no increase in street maintenance funding, our backlog cost will increase by 40 to 50 percent.

-- As another example, portions of our City Hall complex have literally fallen in, at sites where the Civic Center plaza has deteriorated badly; we are completing major maintenance work, but more of the plaza deck needs to be completely removed.

B. Protect citizens' health, safety, and welfare.

-- We estimate, for example, that we urgently need $160 million in additional capital funds for flood control works -- in addition to the $165 million Mingo Creek flood control project now being constructed through a partnership between the city and the U.S. Army Corps of Engineers.

-- We have yet to try to calculate costs to replace and repair the city's stormwater sewer system. About 100 times a year, we experience storm sewer cave-ins -- including lines that give way beneath our street system.

C. Replace functionally obsolete facilities and expand overloaded facilities to catch up with growth.

-- For example, we need to widen at least 86 miles of arterial streets that are currently overloaded -- many of them operating far beyond capacity.

-- We have just received a recommendation to replace our 60-year-old Mohawk Water Treatment Plant, for a cost estimated at roughly $45 million, as another example.

D. Comply with federal and state mandates.

-- In our wastewater systems, we need to spend $95 million over the coming five years -- just to meet existing and pending administrative orders and consent orders.

-- In addition, we know we need to spend more than $15 million to upgrade water treatment facilities to meet the 1986 amendments to the federal Safe Drinking Water Act. We anticipate that these lists of needs will grow significantly as the federal requirements are defined in future years.

-- We cannot yet anticipate what costs may be required to meet the new requirements for stormwater quality or to meet clean air regulations.

2. INFRASTRUCTURE FUNDING

Tulsa has committed a major share of its available resources to protecting and providing for its infrastructure. For example:

-- Since 1977, we have allocated more than $1 billion to construction of capital projects, nearly all infrastructure projects. This total includes $400 million in capital sales tax funds. We currently have more than $475 million outstanding in revenue bonds -- to be repaid from users of the systems -- and nearly $160 million in outstanding general obligation bonds, to be repaid by property taxes.

- We have added a $2 monthly fee to utility bills for stormwater management. Most of that fee goes toward flood control and infrastructure management.

- In the past decade, water, wastewater, and refuse bills have risen from 70% to 379% (depending on service and user category). The end is not in sight.

- We have reorganized our management systems to trim costs wherever possible, including organization of a new Public Works Department charged with managing most infrastructure systems.

In short, Tulsans have spent significant amounts of their money over the past decade to improve our infrastructure management. But the needs continue to exceed our ability to finance them. And we have a few if any additional sources to tap.

3. PROBLEMS AND CONSTRAINTS

In addition to fund shortages, several problems constrain our ability to meet these infrastructure needs. For example:

A. Federal regulations that are uniform for the entire country are sometimes too inflexible for our community.

- For example, we fully support improving water quality and believe we are working ahead of most communities in identifying and addressing stormwater quality issues. But inflexible requirements that might require stormwater treatment would be a disaster; such a requirement could literally bankrupt Tulsa and many other communities.

- We fully support recycling of solid waste, and other systems to reduce solid-waste pollution. That is one of the principal reasons Tulsa built a multi-million dollar mass burn plant, where our community's solid waste is reduced by 90 percent before disposal of the ash in landfills. But market problems relating to the sale of steam, compounded by other issues, keep the incinerator operation in delicate balance. A blanket federal requirement that we recycle 25 percent of our solid waste before it reaches the plant -- without any consideration for local conditions -- could prove remarkably costly to our citizens, who are already paying among the highest solid waste rates in the Midwest.

B. Federal requirements that require massive local funds -- without any outside assistance -- must supersede any local priorities.

-- For example, the $95 million we need for wastewater projects just to comply with existing law -- must be our first priority infrastructure projects. We must fund those projects, even if it means that streets go unpaved, and storm sewers collapse.

-- Our problems have mounted with the recent loss of the federal wastewater grant program and reductions in community block grant funds.

C. Federal tax systems require us to send funds to Washington that far exceed our return for specific programs.

-- For example, Oklahoma is a "donor state" in transportation funding. For example, in fiscal 1988 Oklahomans contributed $17,313,311 into the federal Mass Transit Account of the Highway Trust Fund. During that same period, Oklahoma received only $910,132 from that account -- .05% of our contributions.

D. The federal government, while placing increasing pressure on cities to meet environmental mandates, has eliminated many of our traditional sources of revenue.

-- Two traditional revenue sources that no longer exist are: sales tax exemptions on federal tax returns; ability to arbitrage.

In connection with these constraints, we would take this opportunity to urge your support for HR 5423 introduced by Representative Beryl F. Anthony (Arkansas). This bill provides relief for tax exempt bond issuers from the administrative burdens and complexity imposed by the Tax Reform Act of 1986. This intrusion by the federal government has placed an increasing financial burden on state and local governments in that it has made the cost of borrowing more expensive with these complex federal income tax rules. In fact, so much attention has been drawn to the flaws in the regulations that both the Ways and Means Tax staff and the staff of the Joint Committee on Taxation recently recommended that enforcement of the regulations be suspended. Representative Anthony's bill would provide this much needed relief.

CONCLUSION

In conclusion, I appreciate the opportunity to discuss some of these problems with you today, and we will be pleased to assist your committee's work in any possible way.

I hope you will keep us in mind as you proceed with your deliberations. We welcome opportunities to work in partnership with the federal government, as we are doing so well with the Corps of Engineers on the Mingo Creek flood control project. Do what you can to relieve our tax burdens and to help us provide the infrastructure facilities our citizens need and deserve. Please call on us again if we can provide additional information, and I hope you enjoy your stay in Tulsa.

Prepared Statement of Col. F. Lee Smith

Mr. Chairman and Members of the Committee.

It is a pleasure to be with you today and participate in your hearing as a representative of the Tulsa District, U.S. Army Corps of Engineers. Throughout our Nation's history, the Corps has actively participated in planning, designing, constructing, and operating and maintaining important aspects of our Nation's infrastructure. The Corps supports your Committee's focus as most appropriate.

I am fortunate to be a Commander of a U.S. Army Corps of Engineers' District which has served Oklahoma with great distinction for many years. A premier feature of this involvement has been the Oklahoma portion of the 17 locks and 4 hydropower facilities on the McClellan-Kerr Arkansas River Navigation System. Were it not for the Federal participation through the Corps in this navigation system, the waterborne commerce which has proven to be clearly in the benefit of the total Nation would not have been possible in this region of the country.

Another premier portion of the Corps' contribution to the economic well-being of this part of the country has been in the area of flood control. Historically, this region has been victimized by flooding costing lives and imposing severe adverse economic impact. An example of our most recent ongoing involvement in flood control is our successful partnership with the city of Tulsa. Through this cooperative approach, the citizens of Tulsa will soon see a substantial reduction to the devastating flooding caused by Mingo Creek. In 1984 alone, four lives were lost and some $124 million damages were incurred by flooding in the basin. When completed in 1995, some 23 flood water detention facilities on nearly 700 acres and over 10 miles of improved channels will be in place and provide a 100-year frequency flood protection. This important $186 million investment is estimated to accrue benefits averaging over $32 million per year when completed.

Another important aspect of infrastructure associated with flood control is our local Tulsa-West Tulsa levee. This system currently provides flood protection on the Arkansas River to property valued in excess of $1.2 billion. The Federal money spent in 1945 to construct this levee system has proven many times over to have been money well spent. Though this project is nearing the end of its programmed economic life, the levees have the potential for many more years of service. However, these levees need rehabilitation beyond that envisioned originally by the local sponsor. This need for rehabilitation remains a source of concern since the 1986 flood on the Arkansas River clearly demonstrated the need for these levees.

In closing, I would like to emphasize the longstanding commitment of the U.S. Army Corps of Engineers to the wise management of our Nation's resources. As we look to the future, the challenges are many, and the need to prioritize funding for water resources will be as important as ever.

The Corps' longstanding involvement in providing the Nation's infrastructure has generated expertise and accountability to the Nation which has withstood the test of time. Our benefit-to-cost methodology has proved to be a dependable indicator of sound Federal economic investments. The Corps' use of Federal and local cost-sharing partnerships has produced outstanding participation with communities not only here in Oklahoma but throughout the Nation as well. Our efforts in environmental enhancement and recreation as well as hazardous and toxic waste cleanup have established the Corps of Engineers as the best public engineering agency in the world. The Corps looks forward to continued service as the Nation addresses its infrastructure challenges today and tomorrow.

I thank you for the opportunity to address this Committee this afternoon and would be pleased to respond to any questions you may have.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

FRIDAY, AUGUST 31, 1990

House of Representatives,
Committee on Public Works and Transportation,
Springfield, MO.

The committee met, pursuant to call, at 9 a.m., in the Ballroom, Findlay Student Center, Drury College, 900 N. Benton, Springfield, Missouri; Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Laughlin, Hammerschmidt, Hancock, Emerson and Inhofe.

The Chairman. Good morning. The Committee on Public Works and Transportation hearing on the future of our Nation's infrastructure needs will come to order. It is my pleasure to welcome you here today and to thank you for taking time from your busy schedules to share with us your thoughts on this important subject.

For several months now, our Committee has been examining many aspects of the infrastructure issue seeking a better understanding about our Nation's public works crisis. We have explored emerging infrastructure needs from the national perspective and reviewed the impact of infrastructure needs on private sector investments and on the ability of the United States to compete in international markets. We plan to also look at infrastructure financing alternatives and new technologies.

It is important, however, that we understand what kind of infrastructure problems are being experienced at the local levels. And so, we have embarked on a series of hearings at various sites around the Nation to talk with people most directly involved and to get a broad range of ideas and suggestions that can help to resolve some of the problems.

And, I am pleased to be here in Mel Hancock's district, and I want to thank him and the people of the 7th District for their generous hospitality. And Mel has, of course, been the driving force behind this hearing, and I am pleased to be here at his urging to explore the future of our Nation's infrastructure and its effect on southwest Missouri and areas like it. Mel has worked very hard to make this event possible. He has been a great credit to the Committee over the past two years just in his first term. He has provided valuable input from his background in business and as a private citizen. I am proud and pleased to have him as a member of the Committee. And again, it is a pleasure to conduct this hearing in

Missouri's 7th District so the Committee can have the benefits of the testimony of the fine witnesses we will be hearing from shortly.

I am also pleased that we have with us four other members of our Committee: Congressman John Paul Hammerschmidt of Arkansas and the Committee's ranking Republican member and one of the real leaders in Congress on the infrastructure issue; Congressman Greg Laughlin of Texas, who also hosted an infrastructure hearing in his district; Congressman Jim Inhofe of Oklahoma, in whose district we were yesterday to receive some excellent testimony on local infrastructure needs; and Congressman Bill Emerson, also a member of the Missouri delegation. I am glad all these members could join us today.

As we all know, when we speak about infrastructure, we are speaking about the very cornerstone of our cities and rural communities. Inadequate infrastructure weakens our economic foundations, threatens the health and safety of us all and jeopardizes our future standard of living and the quality of life we have come to enjoy.

When addressing the importance of infrastructure, we should also note that recent economic research shows a link between the level of public investment in the Nation's infrastructure and productivity and profitability in the private sector. The United States productivity growth rate fell from 1.8 percent annually in the 1960s to less than one percent, or just $\frac{7}{10}$ths of a percent, in the early 1980s, while during the same period the annual growth rate of spending for infrastructure fell from 4½ percent to again less than one percent, or $\frac{8}{10}$ths of a percent. Productivity in our country is growing much slower than in other developed nations, such as Japan, West Germany, Canada, France, Italy and the United Kingdom—our economic competitors—some of which invest almost five times as much in their public works as does the United States. We, in fact, rank 55th in the world in infrastructure investment.

And because of this, we are continuing our inquiry and look to you to help us gain further insight into our infrastructure needs. Our question today is: What is the condition of the infrastructure in Missouri, particularly this region of the state? Is your network of public facilities—your roads, bridges, public buildings, sewers and waste water treatment plants, water supply facilities and other basic services—are they adequate to meet current and anticipated needs of the area?

We look forward to today's hearing to answer these and other questions. And now, I would like to recognize other members for any opening remarks they wish to make. Let me recognize Congressman John Paul Hammerschmidt, Congressmen Laughlin, Inhofe and Emerson, in that order. And then conclude with our host, Congressman Mel Hancock. So, John Paul, it is yours.

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman. I am delighted to be here with you in Missouri's 7th District to address a great concern facing this nation—the rebuilding of America's infrastructure. As we all know, the United States must meet its infrastructure needs if we are to remain competitive in the global marketplace. You have just given those dramatic figures on where we stand in the world order on infrastructure.

Our nation's basic public facilities are crumbling. More than 40 percent of our nation's bridges are in disrepair or are functionally obsolete. Highways and airports are gripped with congestion. Many areas of the nation have inadequate water supply or flood control projects.

So, I commend you, Chairman Anderson, for your leadership in infrastructure and for scheduling these and other hearings around the country so that we may identify and meet the infrastructure needs that face this nation.

I would also like to commend Mel Hancock for his work in organizing this hearing. If it was not for Mel, we would not be having this hearing here today. At his urging, we have brought the Committee here to help identify the infrastructure needs in this area of the country. And, his efforts in Congress to spotlight the needs of southwest Missouri are admirable and will certainly have a major impact on legislations we write in the future. His constituents should be proud of these efforts and of his commitment to bring to Congress the common sense, conservative ideas which best represent this region.

Although Mel is in his first term in office, he has been a very effective member of Congress. He has played an integral part in planning the continued improvement and upgrading of Highway 71, which runs through both of our districts. And, this highway is very important to the economic viability of southwest Missouri, and I know that he is working diligently to continue improvements along this thoroughfare.

So, I look forward to working with Mel on other projects in the future. I am delighted to be here today to hear the witnesses discuss the needs of this area.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, John Paul.

Mr. LAUGHLIN. Thank you, Mr. Chairman. I join in the comments that you and the ranking Republican, the Honorable John Paul Hammerschmidt from Arkansas, have stated.

I am proud to be in Mel Hancock's district. Mel and I are freshmen on this Committee together, and I admire the manner in which he goes about representing his district.

I am pleased to join him in his district for the first time because he has been to the 14th Congressional District of Texas, the district I represent, on two occasions. We had a water resources hearing last year, and earlier this month, we had an infrastructure hearing. And on both occasions, Mel was a very important participant in the success of those two hearings.

Yesterday, we were in Jim Inhofe's district over in Tulsa. And, going through that hearing, I am now learning in the first term of office that these infrastructure problems in Texas and Oklahoma and Missouri, they are not Democrat or Republican problems; they are American problems. And I am pleased to be a part of a Committee that takes the approach that these are American problems. And so, we look forward to hearing the testimony and the evidence in support of these continuing national infrastructure problems that you are faced with in southern Missouri.

I am also pleased to recognize our good friend, Bill Emerson, having a role in this hearing. As Mel pointed out to me in Texas at my hearing, he and Bill Emerson are both conservative, and that is the reason they are both having their hearing at one time—to conserve the energy and expenses. Well, I admire that because that is my same philosophy. So Bill, we look forward to hearing from your constituents who took the time and effort to travel over from your district to give important information to this serious national problem.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Greg.

Congressman Jim Inhofe.

Mr. INHOFE. Thank you, Mr. Chairman.

First of all, let me just echo what they said. We are very, very glad to be here. I did not come quite as far as some of the rest of them. I am from Tulsa, Oklahoma. And, I have enjoyed very much serving with Mel Hancock. We happen to be on the same subcommittees together, and my background is in aviation, so we have—he has an intense interest in that. I believe that it is a very important industry. Certainly, in Tulsa, Oklahoma, it is our largest employer—aviation. So, it is something that I know affects you folks here.

When I was coming over this morning, I flew my plane over from Tulsa, and as I landed and was going to be met to come down here, there is a lot of confusion because there is so much new construction on your airport. You have your new general aviation terminal facility. And I am not sure that the ground control knew exactly where it was it is so new. So, I know that things are growing here in this area.

I served a number of years as Mayor of the City of Tulsa. And it seemed to me—and even, I felt this way when I went into that job in the late 1970s—that most of the infrastructure problems were in the industrialized east and west or in the older part of nation. I found out when I became Mayor of Tulsa that some of the major problems are in the new frontier, as we refer to it. That the infrastructure problems of the major metropolitan areas and industrialized east have been addressed for a long period of time, but we have kind of been forgotten out here in our part of the country. And yet, at that time, the City of Tulsa was rotting from within in its water system, its sewer systems, its roads, its streets, and we had to rebuild a city during the three terms that I was Mayor of the City of Tulsa. And this is a recognition that certainly our Chairman, Chairman Anderson, understands—he is from California—but, he knows and is sensitive to the problems that we have here.

Now, just look at this panel up here. You have represented here Texas, Arkansas, Missouri and Oklahoma. And our Chairman was sensitive enough to our needs to bring us together to have this Committee hearing—these Committee hearings right in this region. So, I think that is a very significant thing. And, these hearings are important because you can read about and you can get reports in Congress. You can sit in a Committee meeting in the Rayburn office building in Washington. But, until you have been here and touched it and seen it, you do not really have a full grasp for it.

I think a good example—yesterday, when we went to our navigation way in the Port of Tulsa, Greg Laughlin, who has six counties on the intercoastal waterway down in Texas—I do not think he was really fully aware of our navigability in Tulsa, Oklahoma until he was up there and had seen it. And so, this is very significant that this Committee that is unilaterally the Committee that makes the decision as to where the emphasis of infrastructural money should be spent is right here in Springfield, Missouri in Mel Hancock's district. And as a member of this Committee, I am really delighted to be here.

Mr. HAMMERSCHMIDT. Mr. Chairman.

The CHAIRMAN. John Paul.

Mr. HAMMERSCHMIDT. Could I—would you yield to me out of order just for a moment? In my enthusiasm of being here and recognizing Mel Hancock, I forgot all about my dear friend Bill Emerson down here, and I just wanted to say how—what a great job he does in our Committee and in the Congress for his district in Missouri, and I wanted to apologize to Bill. I just did not recognize seeing you sitting down there, and I wanted to say that Bill is one of the most valuable members of our Public Works Committee. Thank you.

The CHAIRMAN. On that, we will recognize Congressman Bill Emerson.

Mr. EMERSON. Thank you, Mr. Chairman. I am delighted to welcome you here to Missouri today John Paul and our other colleagues and to thank Mel for his arranging this hearing. I am just delighted to see all of you here in southern Missouri. It is good to have you here, and we do have a lot of important things to talk about.

I really cannot emphasize enough how important the topic of infrastructure is, not only to Missourians, but to all of us. A community cannot grow and prosper without a majority of the basic structures needed to service the people who live and work there. Good transportation networks are a very, very crucial element. Good roads, good bridges, protection and control of our water resources and other basic services are all a part of a community's basic infrastructure needs. Fulfilling these needs encourages existing businesses and industries to expand. And in turn, new and expanded industries translates into more jobs. And of course, all of this results in a stronger, healthier economy overall.

Specifically, Missouri holds the unfortunate distinction of having the most deficient bridges in the country. The Missouri Department of Highways and Transportation, with their outstanding leadership—which is well represented here today—is working very, very hard to meet the tremendous needs we have. But, the financial resources are simply not available to remove ourselves from the top of this list. And I am hopeful that as our Committee reviews ways to finance our infrastructure needs, a special program might be developed to help states replace or repair our deficient bridges in cases where the needs simply outweigh the available resources.

Also, I want to make a particular point, Mr. Chairman and colleagues, that my Congressional District, which is right next door to Mr. Hancock's district on the east, has tremendous highway and transportation needs. While we have some good north/south corridors over on the eastern portion of the district, we are very sadly lacking on the western edge and we are particularly lacking in good east/west routes. We are working very hard in Missouri to see that these east/west corridors are improved, and this includes such projects as the proposal for Interstate 66, for U.S. Highway 60, which could prove to be vital transportation links connecting my Congressional District with both the east and the west coasts. Improvements are also very necessary on U.S. Highway 63, which basically dissects our state from north to south.

Now, in addition to these tremendous highway and transportation needs, the 8th Congressional District faces some rather unique infrastructure problems that much of the rest of the nation may not be aware of, and that is the controlling the waters of the Mississippi River. The mighty Mississippi drains almost half of the water in this nation. It drains from as far away as mountains in western Maryland and all the way out to the eastern slopes of the Rockies in Idaho and it carries all the water that lies in between down to the Gulf of Mexico. These communities, which border more than 300 miles of the shoreline—Mississippi shoreline—in my District have tremendous flood control problems, as well as potential wetlands designation problems that we, as a nation, cannot afford to overlook and we must not—certainly as a Congressional Committee—we must not inflict upon them unworkable regulations. It is very important that we ensure that what regulations are going to come down through the Transportation Committee where we are the source, that they be workable and understandable and truly applicable to the region to which they are intended to apply.

Now, that is a brief statement, Mr. Chairman. I look forward to hearing from our witnesses, who will elucidate here as the morning goes on. Thank you very much.

The **CHAIRMAN**. Congressman Mel Hancock.

Mr. **HANCOCK**. Thank you very much, Mr. Chairman. The first thing I would like to say and point out to this panel and to the Chairman is that an awful lot of the people in this audience are private citizens that are concerned about the Government, and about the growth of Government, and about the infrastructure. I know you have held hearings all over the United States, and I have been to several. And I am going to guess that there are probably more concerned private citizens in this audience than at any hearing I have attended. And I think this speaks real well for the 7th District, and I am sure that this Committee will remember that when they get back to Washington.

Needless to say, I am bragging on the people in the 7th District, and I hope everybody understands that. It is the greatest district in the country.

It is indeed a pleasure for me to welcome Chairman Glenn Anderson, ranking Republican John Paul Hammerschmidt and Congressmen Bill Emerson, Jim Inhofe and Greg Laughlin to Springfield so we can continue to work on this Committee to explore and examine the future needs of the nation's infrastructure. The 7th District is an excellent choice of location in which to investigate this matter. This area is indeed the crossroads of America, and its future needs are great, as well as representative of the challenges we face in maintaining an infrastructure that can support a growing population and spur on economic growth.

We will hear testimony today concerning the impact infrastructure has on governments, businesses, tourism and recreation. Combined, these interests represent the economic backbone of this region. I am sure that it will be expressed repeatedly that without a properly maintained infrastructure, this region will suffer.

Despite this message and Missouri's importance to interstate commerce, according to statistics compiled by the Rebuild America Coalition, 25 percent of 1,138 miles of urban highways and streets are rated deficient under the Federal Highway Administration pavement condition rating system, and 12 percent, or 3,671 miles, of all paved rural highway miles are rated the same. Of the 23,415 bridges in Missouri, 12,015, or 62 percent, are either structurally deficient or functionally obsolete.

Other infrastructure needs are great as well. Capital needs to improve Missouri's airports will be over $231 million between 1991 and 1995. And, it will cost over $300 million over the next five years to bring Missouri into compliance with water quality standards mandated by the Clean Water Act.

Closer to home, many projects need to be constructed and others need improvements. Highway 71, just west of us, if brought up to interstate standards, would provide the much needed north/south corridor through the Midwest. If Highway 60 were upgraded further, it would become the main expressway between Interstate 44 and Interstate 55. And if Highway 13 could be expanded, it would provide this area with a decent road to Kansas City. Through this Committee, I will be working to ensure that these projects are constructed.

These are examples, however, of only one state's needs. Multiplied fifty-fold, rebuilding America will be a major task.

But unlike other government programs, infrastructure spending is an investment in our future, and its benefits are spread throughout the country. For those same reasons, it is also one of the most clear-cut proper functions of government around. That is why this conservative Congressman is more than happy to get government in gear for these projects.

I look forward to hearing from my fellow Missourians today concerning the needs and benefits of southwest Missouri's infrastructure. I am sure that the Committee will leave here with a better understanding of the problems we face and the needs that must be met.

Thank you again, Mr. Chairman, for bringing this Committee to southwest Missouri to discuss this important topic.

Mr. CHAIRMAN. Thank you, Mel.

Because so many people have been willing to participate in this hearing and because of time constraints, I am going to ask each witness to summarize his statement orally in two or three minutes. But each witness' full statement will be printed in its entirety in the record of the hearing.

And now I want to call our first panel of witnesses. They are Mr. Wayne Muri, Chief Engineer of the Missouri Highways & Transportation Department, and the Honorable John T. Russell of the Missouri Senate representing District 33.

You might go in that order. Mr. Muri, you first.

TESTIMONY OF WAYNE MURI, CHIEF ENGINEER, MISSOURI HIGHWAYS & TRANSPORTATION AND HON. JOHN T. RUSSELL, MISSOURI SENATE, DISTRICT 33

Mr. MURI. Mr. Chairman, Congressional members. My name is Wayne Muri, Chief Administrative Officer for the Missouri Highway and Transportation Department. Thank you very much for coming. I know how much you run on the fast track. It is very impressive that you have come to Missouri to do this, and I want you to know we very much appreciate that.

Chairman Anderson, I do want to mention. Thanks for the chance to come before you again. I recently testified for before you on fuel tax evasion, so thank you for the chance to be here again.

I want to wear three hats, and I will speak very quickly. Yes, I am with the Missouri Highway & Transportation Department. I am also Chairman of the Transportation Research Board and also Chairman of the Association of State Highway Officials, an implementation group for the future highway and transportation program. So, I will touch on all three.

First, on the Transportation Research Board, I want to echo something that you have said this morning and said several times. On that Board, I serve on the National Research Council and also the Council of the National Academy of Science. I just came from a meeting. The Department of Commerce was there, the Secretary was there. And what he had to say about where we are in the world competition and where we are heading was the most sobering testimony and presentation I have ever heard. So, we understand clearly what you are saying.

Second, on the Transportation Research Board, we recently held a major hearing and special session on what does make this country competitive and what are Japan and European countries doing. And I can tell you—and you alluded to that—that is very, very sobering also. If you look at where we are today and where we are heading and projecting tomorrow, some changes have to be made. We very appreciate what you are saying.

In Missouri, we have a lot at stake, and we think very much that we are at the crossroads and there has never been a more critical time for transportation. And thank goodness, we are in your hands. We think we are in good hands at a most critical time. To say we have a great stake in this country is true. But to say we have a stake in transportation in Missouri is super critical.

Mr. Chairman, you have something in California we do not have. You are near the coast. We have a lot of things going for us here in Missouri. But, to be competitive nation and global-wise, it takes a lot of transportation for Missouri. So, it is very, very critical to us.

Let me just mention where we are. In Missouri—and as Congressman Emerson and Congressman Hancock mentioned—we do have some needs. To give you some numbers, $5.8 billion worth of needs in the next ten years just to hang on to Missouri and keep what we have. That is about $580 million a year of extra investments that must be made. It is clear in any way that we are going to meet that kind of investment, we must have help from the Federal Government through a better federal program. We also recognize that we are going to have to raise funds at the state level. But the point here is, we must have help at the federal level or we will never make it. There is no question about that, in our opinion.

What we are looking for is something very simple. Number one, is we look to you as Congress and as a Committee—number one, let us spend the funds that are collected. If it was fair to collect those funds for a purpose of transportation, let us spend them. The second thing we are looking for is very simple. We think there should be a fair share to each state, a fair share to Missouri from this program. If you look at those two things and what it will take to do those two things—we have a program which you have probably heard about that has been offered from the Association of State Highway Officials, the 20-20 program and what have you. Also, the program that is being proposed by the Federal Highway Administration. Those proposed programs that are before you and will continue to be before you does exactly that.

What it means to Missouri—and this is where—to give you an indication that the stakes are very high for us—we would need about $200 million more for Missouri than we now receive in federal funds under the highway program. We now receive $250 million. That is almost a doubling of our federal program. Congressmen, that would have a lot to do with when and if we dual lane and work on I-66 or Route 60, if we expedite Route 71, particularly if we expedite the construction of dual lane to Kansas City. It would have a lot to do with that.

Let me ask for three other things. One is, we plead to you for timely passage of the federal program. It is going to come quickly. October 1991 is going to be here very quick. Second is the deficit. We think that user fees must be preserved for transportation. And to use the gas tax for federal deficit reduction, we do not think is a good idea at all. The other thing is the gasohol and the clean air. That is, we see you facing a big problem there. We think we face mandating a gasohol, and we think for clean air, that is only right possibly. But if it is mandated, why should the exemption on gasohol be extended? We do not think that makes any sense.

Basically, the last thing that we are very concerned about is something that you face, and I do not envy your task one iota, and that is between now and October 1—sequestration. What is going to happen about the deficit? We plead to you not to let sequestration happen because as we understand it, that will withhold approximately $100 million of our present $250 million federal program. That would be super crippling to our whole efforts.

Mr. Chairman, those are my comments. Thank you very much.

The **Chairman**. Thank you, Mr. Muri.

Senator Russell.

[The prepared statement of Mr. Muri appears on p. 1532.]

Senator **Russell**. Thank you, Mr. Chairman and members of the Committee. I appreciate the fact that you are here on a holiday weekend or getting ready for a holiday weekend. And maybe you are going to spend it in the Ozarks or maybe you are not. But, wherever you are spending it, we hope you the best and we are pleased that you have come to this part of the nation to study infrastructure needs. You are only about 200 miles, or less than that, of the center part of the population of the United States. It is gradually moving southwest. So, we are pleased that you are here.

For several years, I have represented from seven to twelve counties in south central and southwest Missouri. Six of those counties are in Congressman Hancock's district. And so, I am pleased to, of course, be here with Congressman Hancock and Congressman Emerson. But, if there is one service that government provides that our constituents understand, it is roads and highways. They know whether they are good, or they know whether they are bad. They understand a little about the sewer system and a little about the water system, but every day, they are exposed to the highways, and they are pretty upset if they are not the best.

Many of our small towns and cities perhaps have not had the opportunity to upgrade their infrastructure for 40, 50 and maybe as long as 70 years. Those infrastructures have deteriorated rapidly and were not given attention at a time when perhaps they needed it. For the most part, I want to spend the next couple of minutes—and I hope I can do it in two minutes—to stress the significance of a safer, better highway system throughout our nation. There are many infrastructure needs unrelated to highways. For example, the Airport at Bolivar, the bridge at the Lake of the Ozarks—that is highway, though, is not it? But it is also tourist. And there is a lot of small towns that need some help with their water systems, their sewer systems. And I realize that the Congress and the administration have an awesome responsibility in trying to deal with the budget. And hopefully, it can be balanced.

But almost of the same magnitude and dimensions is the funding to bring America's infrastructure up to date. It is an awesome task. And now, it is complex and complicated by the fact that we have a necessary military build-up in the Persian Gulf, and of course, that we have to address for sure. In fact, I am not certain that the Federal Government can fund a strong infrastructure financing program and balance the federal budget at the same time. Now hopefully, some way, there can be a balance of these two needs, the infrastructure and the federal spending.

Let me move real quickly to the federal fuel tax. I did not visit with Mr. Muri prior to this meeting about this statement, so do not think we are in collusion here. But, I want to stress that if the Federal Government increases the fuel tax, it will have a devastating effect upon the states that depend upon fuel tax to fund their highway program. I would urge you not to increase the federal fuel tax because it simply will ruin Missouri, in my opinion. Just a few years ago, we increased it to 4 cents. We are still among the lowest, and we are getting ready to raise it again perhaps if the people approve it. But, if the Federal Government increases the fuel tax, I can almost guarantee you the voters will not approve a Missouri fuel tax.

I had some things written here. These are not very extensive notes about how effective the highway system is in Missouri, and we really are proud of it because they do a lot with what they have to work with. And there is—the highway funds in Missouri are not used for a lot of other things like they are in some states. So, the money is well spent, and we are proud of that. But, there is a great need in Missouri—32,000 miles of road, much of which is narrow two-lane highway, narrow shoulders and sometimes unsafe and inadequate bridges. And, I am sure there is going to be a lot of other people talking to you about that.

Many areas of the state do not have rail service, as it is in Congressman Hammerschmidt's district. There is not a lot of rail service in this part of the country. I can drive from Jefferson City, Missouri to the city limits of Springfield and never cross a railroad track or go under a railroad track. Jefferson City is the state capital of Missouri. Much of that area is in my district. Furthermore, I will be 25–50 miles from even a railroad period. So, you can understand how important rail—I mean highways is to this state.

Reference has been made by some of the Committee members of Highway 60, 13, 65 and we could talk about a lot of those routes; but I am sure they are not all that important to most of the Committee members because they are just numbers on a map that help people move about. Highway 32 and Highway 54 and all of those serve tourist areas. The Lake of the Ozarks, Lake Stockton and several other places. Mr. Muri and his staff are looking at the Lake of the Ozarks situation. Traffic there is really snarled because of highways. A fast build-up of a tourist area that was almost unforeseen and could not be predicted a few years ago. So, there is a lot of needs, and I know that that is what you are looking at and I appreciate the fact that you have this tremendous responsibility.

Might I further stress the importance of seeing that all states receive the money that they are entitled to and hear what Mr. Muri has to say about that. I do not know the details nor the process. But as I understand, Missouri would be a few million dollars ahead and further along had we been able to get the highway funds at the appropriate time and at the right time.

Now, let me summarize real quickly and I think—I do not think you misunderstood what I said. Do not increase the federal fuel tax. It has a devastating effect upon the states that depend on gas tax. Address the present flow of highway funds to the states. And I would urge you not to use federal highway funds for demonstration and designated routes, at least to the point that you would deplete those funds. I realize and I understand all that. In Missouri, we do not get to do a lot of pork barreling, but I kind of enjoy it when I do. So, I understand all that, but do not deplete the funds.

And for the future, there may be an opportunity as money becomes available to encourage the development of rural water districts and rural sewer systems. There are many little communities throughout our state that do not have any sewer system to speak of at all and the water system is rather inadequate. And there is a lot of opportunity there to improve the environment, as well as improve the infrastructure.

There may be a need for private capital in this area, perhaps tax-free bonds or some other incentive. I am not an expert in the area, but I certainly recognize the need to keep the private sector involved wherever possible.

Thank you, Mr. Chairman and members of the Committee.

The CHAIRMAN. I want to thank you both for your excellent statements. And my question, I think, would apply to both of you. What steps has the state taken—or does it propose to take—to assist local governments with their critical road and bridge needs?

Senator **Russell**. Mr. Chairman, I might try to address that. Missouri, at the present time, has a rather tight budget, and we have not had a great deal of success in passing some funding mechanisms to fund some of these programs. But by the same token, we do have some clean water programs that are very highly—very well accepted and very much in demand and almost over-utilized. There is a greater demand than there is money is what I am trying to say. And that has been one of Missouri's most successful programs. And thanks to, I think it is Farmers Home Administration, they have been able to work with rural water districts and also some rural sewer systems. And there is further attention being given to that through the Department of Natural Resources. The Highway Department—and Mr. Muri may want to address this—does provide some funding to the cities and counties out of that gas tax that I spoke about. So, there is—and if that gas tax is increased, there would probably be some of that going to the local governments.

Mr. **Muri**. I would only add maybe two things. We work very, very hard in a full partnership with the city, county and state, so we are sharing all of the resources, all of the information, all of the engineering expertise, everything that we have. So, we are all pulling together in the same direction.

Number 2, we took a lesson from California. Just recently proposed and passed in legislature some innovative funding techniques that involves private investment, transportation districts, transportation corporations and those kinds of things. We think that will help.

The **Chairman**. John Paul.

Mr. **Hammerschmidt**. Thank you, Mr. Chairman. Mr. Muri, we are delighted that you brought your testimony before us. You are always a good witness, whether you are here or in Washington, so we appreciate hearing you again this morning. Senator Russell, you gave us a very fine statement of needs in your district and the state of Missouri. We appreciate your testimony. I have about nine questions prepared here. I am not going to ask any of them because we have so many people on these panels this morning that we just do not have time for questions. And I know that your written statements are complete and comprehensive. So, I will forego questions. But, I do want to express my appreciation to both of you for your fine testimony.

The **Chairman**. Thank you. Greg.

Mr. **Laughlin**. Mr. Muri, it is good seeing you again. I appreciate your testimony today. It was informative as it was in Washington.

Mr. **Muri**. Thank you.

Mr. **Laughlin**. On page 8, you address a concern that I think this Committee has hopefully tackled in a satisfactory way, and that is the conforming provisions that would allow the EPA to pass on each highway construction project. As I understand on this Committee, we got that language taken out of the House Bill and it is still the old law where they looked at the overall community commitment. However, you are correct in that the Senate version still has that language of "project by project" and anyone that has dealt with the EPA knows that while they have a good mission, if they are to review each highway construction project by project, we will have no highway construction in America—is my opinion. And I would suggest you get both of your United States Senators to work on the Senate side of that conference committee. I do not know whether either one will be on that conference committee; but certainly, they will have friends who are, and we need that addressed.

Certainly, we want a clean environment. We want the highway contractors and highway construction to comply, but it needs to be an overall approach, rather than project by project. So, I appreciate your bringing that to the attention once again. Thank you, sir.

Mr. **Muri**. What you said is exactly on target.

Mr. **Laughlin**. Thank you.

The **Chairman**. Congressman Jim Inhofe.

Mr. **Inhofe**. Mr. Chairman, I have no questions. I was glad to hear the comments.

Senator Russell, we did need to come here and find out what your feeling was about a proposed fuel tax increase, and you have made that abundantly clear.

Mr. Muri, I think you know this already, but perhaps some people in the audience do not. Those of us at this table here and serving on Chairman Anderson's Committee are all committed to taking the—getting the highway trust fund off budget, releasing those funds for the purpose they were designed to be spent for. And so, we have that—our Committee has been committed to that for quite some time.

The **Chairman**. Congressman Bill Emerson.

Mr. **Emerson**. Thank you, Mr. Chairman. I just want to say both to Senator Russell and Mr. Muri what a fine job I feel—I am sure Mel does, too—as a member of the Public Works & Transportation Committee of the U.S. House of Representatives to have such wonderful resources to turn to as the Missouri Department of Highways and Transportation.

And Senator, from your legislative oversight perspective, I want to tell you, these people do an outstanding job. And, I feel we have got—we have between the Missouri Department of Highways and Transportation and certainly those of us from Missouri who are on the Public Works and Transportation Committee, one of the finest examples of federal/state cooperation and liaison going anywhere. And Mr. Muri plays a very large role in that, and we are grateful to have the opportunity to work with him and the people in Jefferson City who work with him as well. Thank you.

The **Chairman**. Our host, Congressman Mel Hancock.

Mr. **Hancock**. Thank you very much, Mr. Chairman. I would like to make just a real brief comment because we do have a lot of other witnesses. The statement that my good friend—extremely good friend—Senator John Russell started out with where he said that he and Wayne, Mr. Muri, were not working in collusion. The only thing I can say is, if you want to meet me afterwards, we will collude to try to stop a gasoline tax increase. So, I am willing to work in collusion with anybody to prevent a gasoline tax increase because of the impact that will have on southwest Missouri.

I also would like to recognize this, Mr. Chairman. I think this is somewhat unusual and one of the things that makes me proud of the 7th District. That is that another state senator is present at this hearing. He is taking his time today to come over. He will not be a witness, but I would like to recognize him from the Joplin area, the newest state senator, in fact, the Honorable Marvin Singleton, who is sitting back in the audience there. Thank you very much, Mr. Chairman.

The CHAIRMAN. Will you stand up? Good. Okay. Thank you very much.

And our next panel consists of Mr. Thomas Finnie, City Manager for the City of Springfield; Mr. Robert Hancik, Director of Aviation of the Springfield Regional Airport; and Mr. Harold McCoy, Director of Public Works for the City of Joplin. Gentlemen, please be seated. Take the order if you want, Finnie, Hancik and McCoy.

TESTIMONY OF THOMAS FINNIE, CITY MANAGER, SPRINGFIELD; ROBERT D. HANCIK, DIRECTOR OF AVIATION, SPRINGFIELD REGIONAL AIRPORT; HAROLD L. McCOY, DIRECTOR OF PUBLIC WORKS, JOPLIN

Mr. FINNIE. Thank you, sir. On behalf of the Mayor and the City Council, we would like to express our thanks also for your making the time and the energy to come here and visit us. I would underscore that by passing on that I have had well over a dozen phone calls from people in the community with suggestions that they would like me to pass on to you. I have built many of those suggestions into my formal written testimony. I will confess that I have decided to keep a couple of them just to myself. [Laughter.]

As many of you know, Springfield is a regional center. It is a growing regional center. I think our citizens have recognized that. In recent months, our public, our citizens have passed referendums that have caused significant expansions in the—in our sewer treatment system, a quarter cent sales tax increase for capital improvement programs, including roads and bridges, a major school increase—bond issue increase—as well as a public referendum on fee increases. Without question or doubt in my mind, our citizens put a very high priority on infrastructure improvements. They recognize that while there are some things that may not be critical and they exercise some discretion in approving those, they have been very consistent, I believe, in recognizing the importance of the infrastructure improvements to a growing community.

Our elected officials have also recognized the importance of infrastructure, not only in taking to the citizens those needs that I have just expressed, but also looking to the future. We are now spending significant energy and some dollar resources on looking at fiber optic needs. I believe, as do many people in this community, as we look at our infrastructure needs, we also need to look at future needs, and fiber optics may well be one of the infrastructure needs of the future, and we are right now looking at that and planning for that need.

We can use your help. I very much appreciate the comments that have been made today about the importance of infrastructure. We share that. We feel like there is a need for the national government to recognize that there are some improvements which are essential to Springfield and this region. We need, as a region and as a community, improvements in the highways between here and Kansas City, going east toward Poplar Bluff and the interstate connection there. We need those desperately. As many of you have commented, those are not costs. I truly believe that that is an investment in a national and regional productivity—not a cost to us or to you. That will improve our national productivity. It would improve our regional productivity. And those are projects that the City of Springfield and even the county and region cannot do on our own. We need your help.

We need your help in using the resources of the Federal Government to establish national policies and national standards. I think that many of us in this community do not object to national standards. We put a very high priority on protection of our ground water and our water supply. To the extent that the national government has the resources and the expertise to help develop those standards, that is something you can do. We do not have the resources always to set those standards. I would ask your help that as you set those standards and you pass legislation that you also include in that legislation fiscal impact notes and funding that is in harmony with who is causing the problem and who is benefiting from the problem. To expect the City of Springfield to single-handedly address water supply problems is unrealistic. As you set standards, please keep in mind that in many cases, these are regional and national needs and should be shared at the regional and national level.

And finally, I would ask your assistance in reducing the complexity and the regulations that impact all of us. Fifteen years ago, in many of our communities—probably most of our communities—if the local elected officials recognized a need for something that was funded through a revenue bond, it was a simple matter. They approved it at the council level, and then the marketplace decided whether it was a good project. On a revenue bond, what is better than the marketplace telling you whether you have a good idea or not? That is what this country is all about. Today, those same kind of needs require city council approval, here in this community, they require a public referendum. They often require state approval. They often almost inevitably require a test where they pass Federal legislation. By the time we get though all these tests, the project has almost been forgotten about.

Further, as more legislation occurs, it simply inspires us at the local level to come up with more creative financing, which then, in turn, inspires the state and federal government to come up with ways of controlling that creative financing. The end result is sometimes, instead of providing facilities that our public wants, we simply act as a catalyst to create a whole new profession in the accounting and legal areas. The increase in lawyer fees, the increase in accounting fees—while I do not want to insult either one of those professions—are not necessarily adding to our productivity. We need those projects. We do not need to be spending time on the regulations.

Again, I thank you. We appreciate this opportunity to be part of a partnership not in spending money, but improving our productivity as a country and as a region and as a city. Thank you very much.

The CHAIRMAN. Thank you, Mr. Finnie.

Mr. Hancik.

[The prepared statement of Mr. Finnie appears on p. 1486.]

Mr. HANCIK. Good morning, Mr. Chairman. I am Robert Hancik, I am the Director of Aviation for Springfield Regional Airport, President of the Great Lakes Chapter of the American Association of Airport Executives and our community is also a member of the AOCI. On behalf of the City of Springfield, the Airport Board, and of course, our organizations, we express our appreciation for the bold and aggressive leadership the Public Works Committee has shown to date on airport issues; in particular, yourself, Mr. Chairman; our neighbor to the south, Mr. Hammerschmidt; and of course, Mr. Hancock.

You are continually hearing from the testimony of the heavy hitters; however, through representatives like Mr. Hancock, we have had the opportunity to provide input from the smaller airport operators. I wish to briefly express my views relative to the issues you have successfully addressed and their effects on southwest Missouri and many airports like Springfield.

Each of your successes, reauthorization of AIP, encompassing the most important Passenger Facility Charge, tenant liability language and the fending off the Alamo issue affect Springfield, Missouri as it would a major hub airport, but proportionately, with a greater financial impact.

The capital needs of Springfield Regional Airport, which services not only Springfield, but southwest Missouri and northern Arkansas, are obviously beyond the financial capabilities of this community when weighed against the city's general infrastructure needs of sewers, storm drainage, streets, solid waste disposal and so on. We are in the final stages of our master plan study. Our preliminary capital costs, which we are revealing this morning, are estimated at $56.8 million over the next 20 years and are further detailed on the attachment to the written testimony. $27 million in infrastructure in the next five years, $18 million identified as being eligible under the current AIP program.

We recognize the financial restraints of FAA facility improvements for operations and safety. However, our growth with approximately 100 airline departures a day, need to be recognized in the authorization process, but not by place naming projects in the appropriation, but decisions made on operational data and safety standards.

Gentlemen, we truly serve a regional area. This region is faced with growth beyond its infrastructure capabilities, not only in the tradition of business and industry, but I am sure you will hear by the demonstrated growth in the medical field, retirement and tourism. $250 million in goods passed through our port of entry in 1989, most of it from the Far East.

The intent of the aviation trust fund has been eroded and continually raided over the years. It has been used as a political pawn at the expense of the air traveler. Changes to the current AIP program and its predecessors have only put patches on an exploding inner tube. It is time to start rethinking how the estimated $50 billion in airport capital improvement needs of our nation's airports will be funded in the next five years. Yes, I believe in the current trend and the philosophy that the users should pay for the system. However, we must temper that philosophy by the country's interest and investment in maintaining and building a national air transportation system second to none. We all benefit from air transportation of people and goods, indirectly or directly, whether one ever flies in an airplane, be it via the airlines or in the corporate and general aviation fleet.

Again, I state it is time to rethink the funding of this country's airport infrastructure. The PFC is an obvious element in that equation, for which I applaud your foresight and hope the Senate eventually agrees. It must be noted that those small airports that feed a hub dominated by one air carrier have extremely high air fares, and the impact of an additional $12 per ticket must be measured by the spoke airport on diverting the passenger to the automobile, which in turn, will cause other problems. The current funding percentage of the AIP program offer little discretionary dollars and decision-making capabilities on projects that need to be done. The protection of unspent airport entitlement as a debit against the current year's appropriation needs to be eliminated. If an airport does not have a project, let us not bank the dollars, but get it into the system. Obviously, the trust fund must be taken off budget.

Unfortunately, my time is limited. I hope we can continue the aviation subcommittee's work in their efforts as we continue our legislative fight. Thank you, and I would be happy to answer any questions.

The CHAIRMAN. Mr. McCoy.

[The prepared statement of Mr. Hancik appears on p. 1502.]

Mr. McCOY. Thank you. Thank you for this opportunity today. I represent the City of Joplin, which is the fourth largest metro area in the state of Missouri. I would like to briefly summarize our written statement.

Highways are an important future—important infrastructure in our future. We are the home of 34 trucking terminals, four of those which have headquarters in Joplin, and you will hear statistics about the importance of that to our community later.

We do support the Missouri Highway Department's position that funds should be allocated on the number of roadway miles within your governmental boundaries.

We are supporters of the 71 project, which is from Kansas City to Shreveport. We urge the continued development of this project, hopefully, to a freeway standard and maybe to I-49 in the future.

We have one major concern. Most highway bills are leaving the urbanized area out of the funding picture. We urge you to look at the effect of that on communities. Communities have approximately 18 percent of the roadway miles and 58 percent of the travel within their boundaries.

Joplin also operates a small general aviation airport. We are, too, opposed to the increase in airfare taxes because we have been devastated by the deregulation. We have lost revenue because of deregulation. We cannot meet our present entitlement funds.

We further believe that general aviation needs on small air carrier airports should not be taken out of entitlement funds. It should be funded out of discretionary funding.

We are also concerned about consolidation of the flight service stations. They have generated a safety problem at local airports after the control tower closes.

And the program of wastewater—we are concerned about the EPA's loan program. We think that the first series of projects will probably make the funding by the local residents. We are concerned of the long-term effect after project and project and project is asked to be approved—the ability of the local citizens to fund this program. We have made great strides in cleaning up our water in the last decade. We feel that this program would devastate that in the next decade. In Joplin, if we had to fund our past program, our sewer rates would double and quadruple in the future in the next decade.

We, too, are from conservative southwest Missouri. We believe in a balanced budget. But, we do not believe in balancing the budget through highway user fees or aviation trust fund. We urge you not to allow that to happen.

Thank you for allowing us to make this statement.

[The prepared statement of Mr. McCoy appears on p. 1526.]

The **Chairman**. Thank you very much, all of you, for your remarks. Looking at the infrastructure problem from the local perspective, can you give us some idea of what steps you think should be taken to meet your particular needs and what kind of help you expect from the state and federal government? And I also want to congratulate you on your comments on trust funds off budget. That is one thing that we have been pretty much out in front of in the fight in Washington, and we missed it by—what was it—six votes, I think—was it not?

Mr. **Hammerschmidt**. Five.

The **Chairman**. Five votes. When you almost pass on five votes, this means that if we shove just a little harder, you get a vote here from different states, and of course, one of the best ways we can get those votes is when people like you let your own Congressmen know how they feel because it is a tough issue. It is pretty hard for us to see what the trust funds have got to do with the deficit anyway. Usually, we set those up as a special fund to do a specific project. And why they should—money should be taken from those to——

Mr. **Hammerschmidt**. In most cases, they need to let their Senators know.

The **Chairman**. Absolutely right. Yes. In addition to Congressmen, John Paul said let your Senators know. So, we are in pretty good shape in the House. I really should not say that when we are five votes short, but that is pretty close. We do also urge you to contact your Senator.

My question again is, what kind of help do you expect from state and federal government?

Mr. **Hancik**. Mr. Chairman, as far as the aviation trust fund is concerned, I would be happy to take Harold's entitlement money in Springfield since he is not going to use it. But, under the auspices of the various assurances in the grants that we all commit to, I think there is some opportunity for some creative financing related to paying for airport infrastructure. However, there are constraints within the sponsor's assurances that prohibit much of this creative financing. We recently went through a program which we were very pleased with, that the Administrator of the FAA, especially in the Airports Division, made a policy decision that allowed us to do $5½ million worth of our match for a terminal building—a new terminal building, not the G.A. building, but the air passenger. So, there is an opportunity there for private money to come into it. Sometimes, there are grant restraints that we cannot do that.

And, I might—the other comment I would like to—one other thing I would like to emphasize is the problem of the banking entitlement monies, you know, which goes against the appropriation process, rather than being added to it. By the time you guard everybody's money in the AIP program, there is very, very little discretionary money left over the years, which I am sure you are aware of that, Mr. Chairman. Thank you.

The CHAIRMAN. Do either of you want to comment on that question?

Mr. FINNIE. At the risk of over-simplifying it, I would urge you to do two things. One, spend the money that you have already raised. I think if we were sitting on top of that kind of money here at the local level, they would blow us out of the water or demand a rebate, one or the two. And, cut through—every opportunity you get—cut through the inflexibility, the additional rules and regulations that do not provide more services, but simply provide spending money on auxiliary things that do not provide the actual product to the citizen. If you could do those two things at every opportunity you get, I think we would all benefit.

Mr. McCOY. We concur in the statement that—spend the money that you have raised for the purpose it was intended. We concur to—in taking the regulations off of us that restrict us from raising money on a local level to accomplish our end of that project. We urge you to release—get those funds released so they can be spent for their intended purposes.

Also, in the Federal Aid Urban Highway Program, we would urge you to continue that program in the future. We think it is very important to local governments.

The CHAIRMAN. John Paul.

Mr. HAMMERSCHMIDT. Mr. Chairman, again, I am going to defer questions because they have submitted good, complete testimony and also given us good verbal testimony. You know, no one is closer to the problem that we are here to discuss today than public works directors of cities or city managers or deputy city managers either. And so, we appreciate very much getting your down-to-earth testimony. We know you know the problem and, of course, we are all singing from the same sheet of music, I think.

Robert Hancik is well known to us because he has been active in AAAE and as President of the—what? Great Lakes Regional section of AAAE, which is the organization—for the benefit of those out in the audience that do not know—that represents the smaller airports. They are also a member of AOACI, which represents all the airports. And so, he is very capable, and I have heard him in meetings. He is very vocal in speaking up for the needs of Springfield and what airports of its size need, so we appreciate his testimony very much. Of course, I agree with everything in it.

I know that we should not cap those obligational ceilings as we have to do. We do not do it, but the Appropriations and the Budget Committee do it. We think those monies should be uncapped in Function 400 of the budget to where you can get your fair share.

I guess the only good news, if we could move that passenger facility charge bill that has now passed the House on through the Senate, that will spend the pent-up funds in the aviation trust fund from $7.6 billion down to one billion dollars over a five-year period if we can move that bill all the way through—that is a big if. But, at least it is a start towards spending the money out that the users have paid in. But, I think you know that as well as we do, Robert.

Thank all of you for your testimony.

The CHAIRMAN. Greg.

Mr. LAUGHLIN. I appreciate the comments each of you have made, and Mr. McCoy, in particular, your comments about the passenger facility charge. I know your Congressman, Mel Hancock, and I both very reluctantly passed—voted for passage of that, and I do not remember Mel's voting technique; but I voted against the passenger facility charge in the Aviation Subcommittee, telling the Subcommittee Chairman I was doing it to ensure everyone knew that I was willing to vote against it and would keep a watchful eye because there are no airports in my district that can collect that tax.

I represent a large rural district, and we have had Wall Street bankers come before our Aviation Committee, and they talk about how wonderful the hub system is and why it is good for all of America, and the smaller communities might have fewer flights, but they will have more quality flights and so forth. And, I asked them what they meant by smaller communities. I was shocked when they said, Memphis, Tennessee. To Wall Street bankers, that may be small; but from rural America, I do not have a city even half the size of Memphis, Tennessee. And so, when Secretary Skinner and others from the FAA came to testify about the passenger facility charge, I wanted to be sure they were talking about communities like Joplin and Springfield and the communities in my district that operate small municipal airports for the most part for general aviation and not even commuter service. And with that assurance that with this passenger facility charge, a certain percent of those capital improvement funds would be dedicated to small airports, on the second day in full committee, when Chairman Anderson was there, I know I voted for it, and I recall Congressman Hancock did. But, very reluctantly, because we are jealous about our small, very necessary municipal airports coming out on the short end of the stick. So, while you expressed concern, I want you to know that there is at least two members of the Aviation Subcommittee that are going to be watchdogs on that.

Thank you very much.

Mr. McCOY. Thank you.

The CHAIRMAN. I suppose I should say something. I got involved in this many years ago. At the time, almost every time you got on an airplane—and of course, I am very close to LAX, and we have some problems there—almost every morning you pick up the paper, the story was about the near miss of the day before when something almost happened, but did not. And of course, some of them were not near misses. I had one where 12 people were killed, and that was not a near miss. And so, we have this. The California State Chamber of Commerce got ahold of me, and they had a meeting and they told about the problem. They said, "So many of the people in the state are in the Chamber of Commerce, they are connected with plants that have branches either in Los Angeles or St. Louis or Chicago, so they have to be on an airplane almost every week going to different places." And they said, "It is unsafe, and we think you should be doing something." I said, "We would like to, but," I said, "We do not have any money. Where will we get the money?" And they said, "Well, tax us. We are the users." And so, I asked some questions about it, and I think they saw that I needed a little bit more convincing.

So, they had a second meeting, and it was in the County Hall in Los Angeles, Supervisor's Chambers Hall. I remember—I think Senator Pete Wilson, a Republican, was there with me at that meeting. And, we went on with the same meeting and when they said, "Well, tax us," I said, "What do you mean 'us'?" Well, they said, "Those of us who use the airplanes are the ones who do not like to read this near miss, particularly on the day that we are going to be flying in the airplane." And so, they suggested what we now call ticket tax—8 percent ticket tax. So, we put an 8 percent ticket tax on with the idea that that money should be spent just for making—trying to make our airports in this country safer.

Then, we got the money in here and there is money in the trust fund right now, but they will not let us spend it. If they do not spend it, it makes the deficit look less if you have $20-$30 billion sitting in a trust fund. You do not spend it. And then, you sit it right along side of the real deficit we have. You add the both of them together, it makes the deficit look a little bit better. And we said, "There is no relationship between the national deficit and these people who are willing that the tax—have them taxed that are using the airplanes." But, that is where the problem is. We have money sitting in the trust fund, and for all three funds—the highway trust fund, the transit trust fund, the airport trust fund—all the money in there.

And we have got to somehow get that off budget, get that so we do not spend that. So, I know, I feel dishonest when I tell people, we are going to put a ticket tax on, but every penny of it is going to go to make our airports safe. But to have it and not spend it makes me feel like I lied. And yet, our intention was not that. Our intention was to spend it, just like the highway.

I remember the last time when under Secretary Drew Lewis, when they put a—I think a 5-6 percent tax on gasoline. I remember, I went on television with Drew—Secretary Lewis, and we said, "Every penny of this is going to be spent to repair highways." And yet, you know, it is sitting there today with $20-$30 billion. So somehow, we have got to get that money released.

And the best thing I can say to you people—let your own Congressman and your own Senators know that we do have a job, but we are only five votes short here on one vote. That shows there is a pretty good place to fight.

The **Chairman**. John Paul. I am sorry. I did not know you were——

Mr. HAMMERSCHMIDT. Either Mel or Jim Inhofe.

The CHAIRMAN. Jim.

Mr. INHOFE. Thank you, Mr. Chairman. I guess we are beating this horse to death on the trust funds; but, it is so significant. And, I remember working the floor in 1987 when we lost it by five votes. That means a change of three votes would make the difference. You have unanimity in this group here. It was the Public Works and Transportation Committee that carried that ball to the—to Congress and almost got it passed. I think we are in a position now, if we can continue to get the bills that we have talked about in our Committee passed through Congress into law to spend down that trust fund. Specifically, we are talking about over $7 billion in the aviation trust fund alone. So, that is a very significant thing.

I have been a commercial pilot for, I guess, about 35 years. And when I think about—we have twice as many people up there flying as we had back before deregulation and the same number of controllers. Something you said, Mr. McCoy, is very significant. I am glad that there is an understanding of it, and that is this change in the—of the flight service stations. As a pilot, we know that we cannot get the attention necessary to fly safely up there by dialing an 800 number. You lose that personal touch—that ability to make your own decisions. That is another fight that we are involved in in Congress now.

And, I would say, Mr. Finnie and Mr. Hancik, you both commented about the over-regulation and about the local discretion. Well, I want you to keep in mind this is one of the unique committees where most of us here have served at the local level. Chairman Anderson and I both were mayors of cities, and so, we know what you are talking about. We know the cost of over-regulation in our society. We will do what we can. We will try to do a better job for you.

The CHAIRMAN. Bill Emerson.

Mr. EMERSON. No questions, Mr. Chairman. Thank you for your statements.

The CHAIRMAN. Mel.

Mr. HANCOCK. In the interest of time and just glancing through here and counting up 16 more witnesses that I know we all want to hear, I will defer. I have the opportunity to meet with these people pretty regularly. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. And our next witness is Colonel Charles C. McCloskey, District Engineer, Little Rock District.

Colonel McCloskey.

TESTIMONY OF COL. CHARLES C. McCLOSKEY, DISTRICT ENGINEER, U.S. ARMY CORPS OF ENGINEERS, LITTLE ROCK DISTRICT

Colonel McCLOSKEY. Mr. Chairman, members of the Committee. As District Engineer of the Little Rock district, I am pleased and honored to be here today, along with my Chief of Planning, Mr. Ken Carter, to represent the Corps of Engineers concerning its civil works mission, as related to our nation's infrastructure.

Specifically, I would like to discuss our role in assisting the state of Missouri and local communities in addressing infrastructure needs. Throughout our nation's history, the Corps of Engineers has actively participated in planning, designing, constructing, operating and maintaining various aspects of this nation's infrastructure. Through our civil works program, the corps has been engaged in a wide variety of projects, including the construction of waterways and harbors, flood control projects and large multiple-purpose dams. The corps' military missions have resulted in the construction of large military facilities, including associated infrastructure, such as housing, roads, water supply and waste treatment plants and solid waste disposal facilities.

Recent studies by various organizations have focused on the long-term operation, maintenance and rehabilitation costs that our nation's infrastructure system would place on the shoulders of future generations. A report by the National Council on Public Works Improvement entitled "Fragile Foundations", concluded that we need to develop solutions today to rebuild our infrastructure with systems that promise reduced financial burdens for tomorrow.

The corps shares its concern for the future of infrastructure for which we have responsibility. Significant changes in project financing have already occurred. Due to federal budget considerations, the Water Resources Development Act of 1986 made cost sharing mandatory on many types of water resources projects. This principle has improved project selection, reduced costs and ensure that the most deserving projects are constructed.

As for this region, our district includes all or part of 24 counties in southern Missouri. Over 700,000 persons live in this 11,000 square mile area. The White River basin lakes are a vital part of the economy of this region. Although built primarily for flood control and hydropower, a large and important recreation industry has developed in conjunction with the lakes, as evidenced by the growth of the Branson area.

Table Rock Lake, located just west of Branson, covers about 50,000 acres. Annually, this project provides about $2 million in downstream flood reduction benefits and produces $500 million kilowatt hours of hydropower, which is marketed locally to the associated electric cooperative. However, the lake also receives about 6.4 million recreational visits to its 15 parks. Accordingly, there is an increasing demand to give stronger consideration to recreation concerns in the operation of the lake.

The same is true of Bull Shoals and Norfolk Lakes' infrastructure, which services southern Missouri. Although the dams are located in Arkansas, portions of these lakes extend into Missouri where eleven parks are located. Hydropower from Bull Shoals is also sold directly to the associated electric cooperative.

Clearwater Lake is located in southeast Missouri near Piedmont. We have a local request to raise the lake level about 20 feet to enhance recreation.

Though none of these lakes are currently used for water supply in Missouri, they do offer an alternative high quality source for the people of this region. The Corps of Engineers stands ready to support the future federal role in infrastructure. Given the size and nature of these problems, there must be a vigorous pursuit of solutions. Not only must we use existing programs effectively, but we must establish new and creative approaches for effective partnerships between federal, state and local government and the private sector.

Mr. Chairman, that concludes my remarks. I would be pleased to address any of your questions.

The **Chairman**. Well, thank you, Colonel, for your statement. I suppose my question is, what needs to be done at the federal and local level to address flood control and other problems of this area? And, do you think that local governments have a sufficient revenue base to meet their statutory cost share in meeting those needs?

Colonel **McCloskey**. The needs that we have been able to project, we have put into the budget process. We think we have a good relationship with the local governments, state government and we work closely with them. As to the adequacy of their funding, I would just say that the needs appear to be considerable, and a lot of funds are required.

The **Chairman**. John Paul.

Mr. **Hammerschmidt**. Thank you, Mr. Chairman. Thank you, Colonel McCloskey.

Mr. Chairman and my colleagues, I might say that Colonel McCloskey and my office are in touch if not weekly, on a regular basis regarding many, many projects operated by the Corps of Engineers, and as Colonel McCloskey has said, those important Corps of Engineers lakes—Beaver Lake, Table Rock Lake, which we share with Missouri, Norfolk and Bull Shoals—all tremendous facilities that were built in the 1940s and the 1950s and 1960s at a cost—if I remember right—anywhere from $50-$70 million for those dams. What a tremendous investment that has been for us to furnish flood control and hydropower, recreation.

And now, we—I noticed the other day that in a repair job just for one of those dams that has a leak, $17 million—probably about a fourth of the cost of what those early dams cost in their entirety, to show you how good the investment was before the inflation occurred. But in this part of the country, that is very important to all these people here—Jim Inhofe's people from Tulsa come over and enjoy those lakes. Of course, Bill Emerson and Mel Hancock—all of us enjoy these wonderful lakes we have here. We appreciate the Corps' good harboring of those resources and their nurturing of them and the way they respond to our needs.

We had a tremendous flood here this spring which overwhelmed the systems; but, it was mainly on the Arkansas River south of here. But still, this area received some of that flooding, too. I guess Springfield had a part of it; but, I am not sure. But, I know we had severe flooding in the Arkansas and on the Red River in the Tulsa district on down below and southwest. But, the Corps has always been very responsive to that. And now, they are really under the gun because when people are flooded out, they do not really understand and they do not want to hear about the hydrology and the way that great system is operated. And I understand that. When farmers are devastated, they are not good listeners.

But anyway, I am just delighted Colonel McCloskey is here as a key witness today and appreciate his comprehensive statement for the record. Good to see you, Colonel.

The CHAIRMAN. Congressman Jim Inhofe.

Mr. INHOFE. I have no questions, Mr. Chairman.

The CHAIRMAN. Bill Emerson.

Mr. EMERSON. Thank you, Mr. Chairman. Colonel, until late yesterday evening, I was making a number of rounds in my Congressional district, which lies in four different Corps districts, Memphis, St. Louis, Kansas City and Little Rock. And I wound up late yesterday afternoon down in Butler County, where—that is Poplar Bluff—where I ran into as irate a group of farmers as I have ever run into in my ten years of serving in the Congress who were telling me about the fact that the Little Rock district has three new employees who are coming around Butler County utilizing all of the delicacy of King Kong using a sledge hammer issuing 404 citations to a bunch of innocent rice farmers who are simply trying to shore up their levees.

Now, I know we have got a lot of problems relating to wetlands issues. But with the need that we have for infrastructure improvements in this country and with the difficulties referred to by my dear friend and colleague, Mr. Hammerschmidt, where you are really under the gun in having to do a lot of repair work as a result of the floods this past spring, I am curious as to where you get the resources to send three people around issuing 404 citations to Butler County rice farmers who are trying to shore up their levees.

I do not know if you can answer that question here today. But, you know, I was going to try to call you this morning. I did not realize you were going to be here as a witness today, so I think it is fortuitous that we meet this morning and I have the opportunity to share with you something that is very fresh on my mind from yesterday. And I hope that we may have a meeting on this subject with you and your staff at the earliest possible time and that we can understand what your modus operandi is and the purposes for it. Please comment if you care to.

Colonel MCCLOSKEY. We will be glad to look into that situation and to correct it.

Mr. EMERSON. Are you unaware of that situation?

Colonel MCCLOSKEY. I am aware that we have a large regulatory responsibility which covers Butler County, and we have a lot of permit applications. We have had a backlog, and we have been trying to work that backlog off. I was unaware that there were problems there, but I will look into and resolve them.

Mr. EMERSON. Thank you, Colonel.

Mr. HAMMERSCHMIDT. Will my friend yield?

Mr. EMERSON. I would be glad to yield.

Mr. HAMMERSCHMIDT. Colonel, I know this is above the district level, but we have great trauma over wetlands, as you know. But—and you have—you have to implement policy and regulations as they come down. But, we are still trying to write legislation. I know we had a memorandum of understanding between the Corps and EPA and thought that might have diffused it to a degree. But, I think Congress is going to have to put in statutory language what the intent of Congress is as it pertains to no net loss on wetlands and as it pertains to continued use for farming purposes, et cetera. I know you merely respond and implement regulations at the district level, but I want to join my good friend, Bill Emerson, in saying we have great concern about what is happening in the no net loss wetlands policy as it exists, and we are working on that legislation in our committee right now. Thank you.

The **CHAIRMAN**. Congressman Hancock.

Mr. **HANCOCK**. Thank you, Mr. Chairman. I just would like to thank Colonel McCloskey for appearing and coming up to Springfield today. I apologize for having to step out. In fact, I think I have to step out again here pretty quickly. But, thank you for coming. I will—your testimony has been submitted, and we will sure read it. And again, thank you for being here.

Colonel **MCCLOSKEY**. You are welcome.

The **CHAIRMAN**. Thank you very much, Colonel, for your presentation.

On the next panel, we have Mr. Peter Herschend, Executive Vice President of the Silver Dollar City and President of the Ozark Marketing Council; and Mr. William Kirkman of the Springfield Chamber of Commerce. You are first here, Mr. Herschend, so you might as well start off.

TESTIMONY OF PETER HERSCHEND, EXECUTIVE VICE PRESIDENT, SILVER DOLLAR CITY, PRESIDENT, OZARK MARKETING COUNCIL; WILLIAM E. KIRKMAN, SPRINGFIELD CHAMBER OF COMMERCE

Mr. **HERSCHEND**. Thank you very much, Mr. Chairman, members of the Committee. In deference to your request to hold the comments to two to three minutes, I have considerably rewritten my oral presentation. I will let my written presentation stand. And so, if you will give me the leeway of making some rather off-the-cuff remarks here, I can share it very, very quickly. I think I have two things that I would share with you, Mr. Chairman.

First, I think it is important that the Committee realize and recognize the size of an industry here in southwest Missouri called the travel industry—the tourist industry. Congressman Hammerschmidt, Congressman Emerson, Congressman Hancock are all highly aware of what the travel industry means to this part of the country. But, I am going to give you very few numbers. You get enough of those anyway. Two counties south of here are called Stone and Taney County. Congressman Hammerschmidt is familiar with those because they lie on the southern border of his Arkansas border. Those two counties have a magnificent population of approximately 50,000 persons—full-time population. The travel industry—the tourist industry here in southwest Missouri in those two counties equals on an annual basis one billion dollars—one billion dollars. It is a tremendously important impactful industry.

Those statistics will apply certainly to a lesser degree throughout the Ozark region. They reach well over into Congressman Emerson's district and certainly into Congressman Hammerschmidt's district. One billion dollars in Taney and Stone County. I can, with easy justification, point to 20,000 persons employed in the travel industry out of a population of 50—20,000 persons just in the direct travel industry. It is—it is an immense industry and highly dependent, as you might well imagine. We are a rubber tire marked, as some have said. You do not—you do not get to the Ozarks south of here in a 747. You get there in an automobile or in a bus. Period. We are absolutely dependent upon a highway system that has the capability of carrying those vehicles to and from our area.

I would like to tell a story if I could. The company that I work for is named Silver Dollar City. It is a theme park, and we see this year, 1,750,000 visitors, give or take a few thousand. It is a good-sized operation in this part of the world and in the travel industry. And we have a steam train there. As a matter of fact, we have five steam locomotives, and they run. They carry probably a million passengers a year. And when we first got those—when we first bought them back in 1962, they did not run so well. Oftentimes, they would, in fact, stop. And we found out the problem was most often caused by a—do not have a lisp when you try to say this—but by a stuck steam valve. And the problem with the stuck steam valve was that sometimes it would be halfway open, and sometimes it would be only a third of the way open, and you could not get the steam from the boiler to the engine wheels, which made the thing go.

And we found the solution. And Congressman Emerson, you will probably recognize the concept right away. We developed a technique called a stuck steam valve thumping stick. I dare you to pronounce that one fast. But, that is what we used. We would hit the steam dome with this thumping stick. And the steam valve would go pop open and sure enough, all of that power of the engine would be released.

Now, what in the world is the point of that? I would submit to you that you have two stuck steam valves. You—not personally—but the Congress and the Administration do. One you have spoken to directly this morning, and that is taking the highway trust fund off budget. That is a stuck steam valve if I ever heard of one. And you need a thumping stick on it. And we would support you with all the effort we can on getting a thumping stick on that. And the other is the reauthorization of the Surface Transportation Act. That is critically important to our industry—to the travel industry in southwest Missouri.

If the Congress and the Administration can use the thumping stick and get those two pieces of machinery on line so the power can flow adequately, then we in the private sector of the travel, the tourism industry—certainly here in southwest Missouri, but I promise you throughout this nation—can make a tremendous difference in the growth of the economy. We can take 20,000 persons employed and bring that to 25 and 30. We can reduce—we have demonstrated the ability to reduce unemployment in the off season. We are going to take it from a very, very high 14-16 percent that we experience in the wintertime. Where this year, we will drop it down to single digit unemployment in southwest Missouri. We will do it. But, we cannot do it if that doggone steam valve is closed. So, I would wish to you mentally a thumping stick. I will be happy to help you swing it. It really will make a tremendous difference for the economy of this region, and that is where the issue starts. Once we get that and get those funds into the capable hands of the Missouri Highway & Transportation Department, then I have every confidence that we will see the difference in surface transportation that needs to be.

Thank you, sir.

The CHAIRMAN. Thank you.

Mr. Kirkman.

[The prepared of Mr. Herschend appears on p. 1509.]

Mr. KIRKMAN. Mr. Chairman and Committee members. My name is Bill Kirkman. I am the Partner in Charge of Barry, Kirks & Dobson, a regional public accounting firm headquartered in Springfield. I also serve this year as President of the Springfield Area Chamber of Commerce. On behalf of the Board of Directors and 3,500 businesses and professional men and women who comprise the Chamber, welcome to our city.

Our Chamber of Commerce serves as the principal advocate of this community and its business. We are proactive in economic development, stimulating jobs and maintaining our high quality of life. Transportation is of eminent concern in our efforts. Congruent to our area needs are the needs of Missouri. We believe what is good for the state is good for Springfield, and what is good for Springfield is good for our state.

It is with this belief that we encourage and support the timely passage of a new Federal Highway Act, as proposed by the American Association of State Highway & Transportation Officials. We believe the greater flexibility and discretion in the use of funds, which is provided for in the proposed new act, is important to support all of our transportation needs.

Over the last 34 years, highway users have contributed billions of dollars in taxes, with the understanding that this tax revenue would be spent for construction and/or upgrading of the nation's highways and bridges. We believe that the revenue in the federal highway trust fund should be used for the purpose it was collected. We question a balance which exceeds the federally mandated minimum when the nation's transportation needs are multiplying.

We also advocate a fair share of transportation monies for Missouri. We believe that demonstration projects are not in the best interest of a good highway system and that a rational plan—one that is good for the entire country—is, by far, the better policy. These views are also reflected in the opinion of the Missouri Chamber of Commerce.

Springfield, our host city today, is Missouri's third largest city and is the center of the fastest growing region in our state. Our city is the regional center for commerce, health care, education, entertainment and banking for the southwest and south central portion of Missouri. Springfield is also the major goods distribution center for the entire southern half of Missouri, northern Arkansas, southeastern Kansas and northeastern Oklahoma. Coupled with Springfield being the gateway to the substantial tourism industry in our lake areas on the south, the north and the northeast, we are in desperate need of major highway improvement.

Of major priority to our city is the need for an interstate standard four-lane highway linking Kansas City and Springfield and continuing on to the southeast and southeastern United States. Lack of federal and state funds has also delayed and prevented the construction of needed freeways around our city, especially on our south.

Our transportation needs are not limited to streets and highways. We appreciate the increasing demands for adequate air service to Springfield. A master plan developed with broad community support has been updated and is presently being presented to the community for evaluation. As a Chamber, we support the infrastructure needs of the Springfield Airport and advocate the use of federal aviation monies to fund the plans.

Infrastructure is at the core of our Chamber mission. Economic development, air service to Springfield, the fresh water project of our city utilities and streets and sewer projects of the city go hand in hand with the tourism industry and our high quality of life in Springfield. Each factor is a part of a healthy economy, and each factor is a part of our Chamber's proactive plan.

The testimony you are hearing today expresses the concerns of midwestern citizens. Some of our needs are similar to those of the east and west Coast. And some of those needs are unique to us. In your role as United States Congressmen, we are certain you will weigh those needs of Missouri with equal consideration.

I would like to leave you with four key points that I think are very key, and we have heard repeatedly today, but I think they are very important. I will put those in what I call three do's that we would ask you and one do not do. I think we would advocate and ask you to release and spend existing funds and give Missouri its pro rata fair share. We encourage and ask that you do encourage the passage of the new Federal Highway Act as proposed. We ask that you do develop and that Congress does plan to spend funds based on need and not on demonstration projects. We ask that you—and this Committee particularly—and our Congressmen and our state do promote and foresee the absolute desperate need of Springfield to have an adequate highway system from Kansas City extending on to our east. The one do not is, do not allow the Federal Government to take away our user fee system of taxing fuel for other purposes. Thank you.

[The parepared statement of Mr. Kirkman appears on p. 1522.]

The CHAIRMAN. John Paul.

Mr. HAMMERSCHMIDT. Well, thank you, Mr. Chairman. Thank you, Mr. Kirkman for a good statement. I noticed that you said that you wanted us to fund programs on need, rather than not have any more demonstration projects. Usually, a demonstration project in surface transportation is initiated by a Member of Congress who knows his district very well, and it usually is based on need, even though it is called a demonstration project. Now, I give you as an example the $36 million that went into Highway 71 on the Missouri side; another $36 million on the Missouri side. I just mention that not to be argumentative, except we know that the need is there on Highway 71, and we used the demonstration project mechanism to leverage a little more Federal funds out of the highway trust fund into the system. So, I just make that comment. But, thank you very much for your testimony.

Mr. KIRKMAN. I appreciate that. Thank you.

Mr. HAMMERSCHMIDT. And, Peter Herschend, Mr. Chairman, is kind of a legend down in southern Missouri. They started the

Silver Dollar operation down there a number of years ago. And I tell you, it has grown—he told you how much it has grown, how many visitors they accommodate down there—1¾ million people in a year or season. But, if you went to Silver Dollar City, Glenn, and you got in that traffic, you would think that that gridlock, compared to the Santa Ana Freeway in L.A., you would be in the fast lane in the Santa Ana Freeway. [Laughter.]

Because it is unbelievable. And I am only sorry that this Committee—and Mel wanted us to do that, but we did not have time—is to go down there to Silver Dollar City and view for ourselves what fast-growing tourism does whenever you do not have the surface transportation infrastructure to accommodate it. So, you know, those of here locally are very well aware of your needs, and we appreciate your testimony, Peter, very much.

Mr. **Herschend**. Thank you, sir. Congressman, if I might add, I would commend the Highway and Transportation Department in the State of Missouri for the efforts they have made with very limited resources to solve the problem. The problem is, in fact, bigger than all outdoors, if you would. We are seeing—not we corporately, but the area—this year will see four million visitors—that is just—that is the number I can get a handle on that I can give to you accurately—four million visitors. And that will be up approximately 300,000, give or take a small percentage, over last year. That is the kind of growth that it is experiencing, and those are tremendous numbers. The economic impact, the social impact of those numbers long-term is just amazing.

Mr. **Hammerschmidt**. With all due respect to Mr. Kirkman, maybe we can get you a demonstration project. [Laughter.]

Mr. **Kirkman**. There are certain demonstration projects that are more important than others.

Mr. **Hammerschmidt**. Thank you very much, gentlemen.

The **Chairman**. I want to thank you, too. Your statements have been very interesting. Yesterday, in Tulsa, we saw an impressive display of what the private sector can do with the development of a river park. Now, what is the private sector prepared to do here to contribute to a strong infrastructure?

Mr. **Kirkman**. I think our private sector has always been available and ready to provide their share of projects whenever the framework is already laid through government efforts, Chairman Anderson, because I believe that the private sector does, through the form of significant taxation, as well as the willingness to make substantial investment in commercial projects in and around and on our infrastructure, such as highways and others are what they are prepared to do and traditionally have done.

The **Chairman**. Congressman Greg Laughlin.

Mr. **Laughlin**. I have no questions. Thank you very much.

The **Chairman**. Congressman Jim Inhofe.

Mr. **Inhofe**. Just an observation, Mr. Herschend. As you are using your numbers, I was trying to do some calculating. We learn to do that in Congress because they throw around some pretty big numbers. And if I am accurate, in the two counties that you are mentioning that you have referred to, your per capita income from tourism is approximately $20,000 a person. Now, I have to say that I have been there and I have seen this and I have observed that about half of those license plates come from Oklahoma. So, I think at least one member of this Committee here is making their contribution to your tourism.

Mr. **Herschend**. Thank you, sir. We appreciate you coming over.

The **Chairman**. Congressman Emerson.

Mr. **Emerson**. Thank you, Mr. Chairman. No questions. I just want to commend the gentlemen for their statements and to associate the very—that myself, my own sentiments with remarks of the distinguished gentleman from Arkansas, Mr. Hammerschmidt. I think you hit the nail on the head, John Paul, and I will not be redundant here. Thank you.

The **Chairman**. Thank you very much for your presentation.

Mr. **Herschend**. Thank you, sir.

The **Chairman**. Our next panel consists of Mr. Richard Sitton, Vice President of D. L. Sitton Motor Carriers; Mr. Glenn Brown, President of the Contract Freighters, Inc.; and Mr. Jim Wingfield, Vice President for Safety of Tri-State Motor Transit. You can take that order. Sitton first, Brown and then Wingfield.

TESTIMONY OF RICHARD SITTON, VICE PRESIDENT, D.L. SITTON MOTOR CARRIERS, JOPLIN; GLENN BROWN, PRESIDENT, CONTRACT FREIGHTERS, INC., JOPLIN; JAMES B. WINGFIELD, VICE PRESIDENT, TRI-STATE MOTOR TRANSIT, JOPLIN

Mr. **Sitton**. Thank you, Mr. Chairman. My name is Richard Sitton. I am the Executive Vice President of Sitton Motor Lines. We are a 48-state general commodity and contract carrier based in Joplin, Missouri. We are also here to beat the horse to death. We have a major—a major concern is the highway trust fund that is being held for government revenue reasons. I feel that this fund would be of better use on our highway system. This money is in a trust fund. I am worried that this fund will not be used for its intended use. The taxes were collected for highway construction and should be used for that reason. I think we have all covered this pretty thoroughly today, but I wanted to reiterate it.

We have a large investment in capital in our business. We have invested in new technology in all of our fleets. We run safe fleets. They get better fuel economy. They are safer units. And just like in our state, we have highway maintenance and construction. It is not normally thought of as a large asset to a trucking company, but it is a very large asset to a trucking company. Like any asset, when it sits idle, productivity of that asset falls. We want to compete with everyone in our business. We compete amongst ourselves. But to compete, we must have the best highway system that we can have available.

We all understand JIT—Just In Time—in our business. And to facilitate that, Joplin is meeting the great city of Fayetteville tonight in football, and we want to get around. So, I will answer any questions at the end of this.

The **Chairman**. Okay. Mr. Brown.

Mr. **Brown**. Mr. Chairman, Committee members. My name is Glenn Brown. I am president of Contract Freighters, Inc., a truckload irregular route carrier based in Joplin, Missouri. We operate in Canada and all 48 contiguous U.S. states and Mexico. We operate over 1,000 power units and employ over 1,400 people.

Most of our major concerns have been addressed to this Committee. Mr. Hancock mentioned our big concern we have for a north/south interstate route from Kansas City to Shreveport, Louisiana and on to Houston, Texas. Mr. Emerson pointed out the condition of our bridges in our state, a couple of which I personally cross frequently and hold my breath from one side to the other and fully expect to see them—that they have fallen down when next I see them.

I want to voice a loud and strong concern for the adequacy of the rest areas along our interstate highways. If you drive on any interstate highway at night, you will find it very difficult to find room to even pull into a rest area. It is virtually—it is vitally important for the truckers and motorists alike to have areas to rest at. It is not uncommon to see trucks and cars parked along entrance and exit ramps at night for lack of adequate rest areas. Some states will ticket a vehicle parked on a ramp when there is no other place for them. We suggest the construction of additional and larger rest areas along the interstate system to be a part of any future highway programs.

I would like to say that obviously, we do not support any increase in fuel taxes and would also like to tell you that we appreciate very much your efforts to release the highway trust funds so that they can be used for their intended purposes because we feel it is the right thing to do.

I would like to thank you again for the opportunity to express our concerns here today very much. Thank you.

The CHAIRMAN. Mr. Wingfield.

Mr. WINGFIELD. Mr. Chairman, I am Jim Wingfield. I am the Director of Driver Marketing in Tri-State Motor Transit. I am here to represent that company today.

I would like to say a few words about our operations. Tri-State has operated for over 50 years as an irregular route, heavy and specialized motor hauler headquartered in Joplin, Missouri. The company has grown to become one of the nation's top 50 trucking companies which operates from coast to coast and is one of the premier specialized motor haulers. Our fleet is supported by government and commercial explosives, nuclear materials, aerospace goods and, notably, heavy or over-sized/over-dimensional cargo. We have approximately 26 terminals located throughout the country, from the east coast to the west coast. Tri-State is one of the top transporters for the Department of Defense.

As regards my input to the Committee, I would like to address the longer and larger national scope related to our operations and then endorse a project which is very close to our operation at home. We endorse the view of the American Trucking Association supporting a highway system of national significance. And I think foremost in this position is maintenance and rebuilding of our interstate system, adding additional interstates where necessary.

As we all know, an historical justification for the interstate system was national defense, and as this company can certainly attest to, our national defense concerns were indeed served in the Vietnam conflict. And most recently, hundreds of loads of military cargo had been shipped per day by this company alone to support our military presence in the Persian Gulf. Certainly, maintenance of the interstate systems, which over the years have cost more than $13 billion to construct, must be paramount in our infrastructure needs, and we would underscore that.

On the commercial side, we would like to offer an illustration from our company's operations. We one of the foremost haulers in the areas of specialized over-dimensional commodities. And after researching the current highway system with our O.D. specialist at our company, we discovered that a rapid deterioration of the eastern seaboard interstate system is becoming more and more evident.

Some examples: our research indicated that in the past two years, Interstate 79 was shut to O.D. traffic at three points in West Virginia; Interstate 64 was shut to over-dimensional traffic in West Virginia; sections of Interstate 64 in eastern Kentucky cannot accommodate over-dimensional loads; sections of Interstate 70 rerouted and caused hundreds of hundreds of miles of detours; and there are many, many other examples.

Most of these restrictions have been recent, and they are the result of simple decay. And literally, some areas now of the northeast quadrant cannot be any longer reached with over-dimensional and specialized cargo. Our estimates are that we have to refuse 15-20 percent of shipping requests to those areas a week, thereby hampering midwestern and western shippers who would like to market their goods in the eastern seaboard regions.

By endorsing the basic purview of the ATA's call for a highway system of national significance, not only the interstate system could be enhanced, but other national arterial system routings could be justifiably improved as well. This aspect of the newly proposed highway program would allow for projects such as the Highway 71 four-lane project, which could provide a vastly needed north/south arterial route from south Texas to the Canadian border. This is a project near and dear to our hearts, given our proximity to that highway.

Due to heavy congestion on its two-lane portions and the lack of limited access, we refuse to use this particular artery south of Joplin for explosive shipments, even though it is an approved route. For safety concerns, we opt instead to utilize the Indian nation's turnpike in western Oklahoma, even though it results in costly hours out of route. For the same reasons and due to many older railroad overpasses and other overhanging structures, few over-dimensional over-height loads can be used on this corridor at all.

All of us who are involved in long-distance trucking, I think, in the area support the four-lane 71 project or the Interstate 59 or 49 project, as it is referred to down south. It is but one of several, though, other potential actual highway needs in the U.S. arterial improvement system, which could be affected under a new highway plan.

I would like to thank this honorable panel for the opportunity to express our interest, and we would be happy to answer any questions at this time.

[The prepared statement of Mr. Wingfield appears on p. 1550.]

The CHAIRMAN. When we talk about the quality of our Nation's infrastructure, we increasingly make reference to its impact on our productivity, growth and competitiveness. And as you see it, what is the condition of the infrastructure where you operate, and how does a strong infrastructure contribute to competitiveness and the sound economy in your situation?

Mr. BROWN. Well, the opportunity to operate increased size and weight equipment improves productivity and reduces cost to the ultimate consumer. The ability to be able to operate that larger equipment with improved infrastructure, there would be a lot of savings to the industry and the ultimate consumer. At the present time, the infrastructure available to the trucking industry is—restricts our ability to be able to maneuver that larger equipment within the communities. The interstate highway system accommodates the larger equipment with no problem. But, areas other than the interstate systems, where we have to get off for us to make our pick-ups and deliveries, are not adequate to accommodate larger equipment.

Mr. SITTON. I may add that it is not really the trucking industry that is going after the larger equipment. It is the companies that are trying to compete on the world market that are forcing us to get more competitive in being able to haul larger loads. A 40-foot trailer with a small truck would have been fine; but to maintain our competitiveness in the world, we have got to be able to be more productive in our ability to haul freight.

Mr. BROWN. The manufacturing of products in our country and the costs associated with transporting those products for export is much greater than, for instance, manufacturing a product in Japan and transporting it to an export point. The distances are greater; therefore, the need for manufacturers in our country to be able to compete in a world market, they need to improve productivity in transporting their product to points of export.

Mr. WINGFIELD. I would agree with those views, Mr. Chairman.

The CHAIRMAN. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Gentlemen, thank you for your testimony. I think it is important that we have the trucking industry here because certainly, they are one of the great users of a major part of our infrastructure system—the highways and particularly the interstate system, but all the highways. And you are also one of the great contributors monetarily to that system through user taxes.

Mr. WINGFIELD. Amen.

Mr. HAMMERSCHMIDT. And you know, but there is a big argument about whether that contribution is sufficient and not on—I do not think you would argue. I know what your position would be; but nevertheless, it is a matter of public debate. When you talk about twin 28 trailers or triples 28's as it relates to their impact on the system or safety either one, you are into a very sticky area politically for us to handle. And it is under debate, but there are many sides to that issue and just to tell you candidly, that is a tough issue for us to face. But nevertheless, we understand that the trucking industry is vital to this nation. It would not—it could not operate without it. And the better it operates, the better off the country is in productivity and in economic growth, so we very much appreciate the contributions that you make to this country with your industry and we appreciate you being here with your testimony this morning. Thank you.

The CHAIRMAN. Congressman Laughlin.

Mr. LAUGHLIN. Thank you, Mr. Chairman. Thank each of you for your input. Mr. Brown, I want to direct my question to you and preface a statement and a question by noting that your state and mine are among the lowest gasoline tax states in the Union. And along that line, highway users, everyone involved in the transportation in Texas tell me, "We strongly oppose the use of a gasoline tax to address the nation's budget deficit problems because traditionally and historically, the gasoline tax has been reserved for the states to take care of their highways and bridges." In your statement that you, I believe, said you strongly are absolutely opposed on increasing the gasoline tax. Is it along the lines of what I have talked about the historical and traditional use of gasoline tax being reserved for the state, or are you telling us you are opposed to increasing the gasoline tax under any circumstance?

Mr. BROWN. If the taxes were applied to the maintenance and the construction of highways, we would not have the opposition to an increased tax that we currently do just simply because of the use of that taxation in the past.

Mr. LAUGHLIN. Well, I concur with your statement then and should note that statistics consistently show that citizens in the south and west of our country drive substantially more miles per capita per year than those in other parts of the country. So, we would be paying a greater tax burden to resolve the budget deficit than those in the other parts when, in fact, we are more dependent upon public transportation routes. By that, I mean, the highways and not—we do not have a taxi service in my district. We do not have a subway in my district. And, we do not have commercial air service in my district, so——

Mr. BROWN. That sounds very much like our area.

Mr. LAUGHLIN. That is why those of you who are here interested in the economic welfare of your region are doing a good job, and we all have to work together to continue addressing this issue in that way. Thank you very much.

The CHAIRMAN. Congressman Mel Hancock.

Mr. HANCOCK. I do not have any comment. I have visited with these gentlemen from time to time, and they know that they have access to me any time they want to have input when we are in Washington, so I will—in the interest of time—defer. Thank you.

The CHAIRMAN. Thank you.

Thank you very much for your presentations.

Our next panel, we will hear from Mr. Duane Galloway, Assistant to the General Manager of Springfield City Utilities and from Mr. Max Cates, Director of Communications and Marketing of the Associated Electrical Cooperative, Inc. here in Springfield. Mr. Galloway, I believe you are first.

TESTIMONY OF DUANE GALLOWAY, ASSISTANT TO THE MANAGER, SPRINGFIELD CITY UTILITIES; MAX CATES, DIRECTOR OF COMMUNICATIONS/MARKETING, ASSOCIATED ELECTRIC COOPERATIVE, INC., SPRINGFIELD

Mr. **Galloway**. Thank you, Mr. Chairman, members of the Committee. My name is Duane Galloway. I am Assistant General Manager at City Utilities, the municipal utility that serves the City of Springfield. We are certainly glad to have you in our fine city today.

I will take a couple of minutes to comment on our interest in the infrastructure problem. We have a long-range planning process where we identify needs for at least ten years into the future. And one of those needs we have identified for the mid- to late-1990s is a long-term water supply. We have finished the preliminary work on this project, and we anticipate spending about $80 million to come up with a new source to serve our needs for the next 50 years.

We, of course, have a number of problems in financing a project of this type and building a project of this type for our community. One is that we have a water utility that has revenues of under $15 million a year for an $80 million project, and we are not anticipating any federal assistance in building the project. Although, Mr. Chairman, I might tell you that if you would be willing to help us, I am sure our Board would consider your offer.

A second problem we have is that we are being forced to meet new federally mandated water quality standards. They are costly; but, I would say that we do not object to them. And generally, in the past, we have done much more testing than is required, and we have always put out a product that is—that fore meets and exceeds the standards that are required, and we will continue to do that.

The area that I would like to ask your assistance on—I understand that you do not write the tax laws; but I—when you discuss infrastructure problems with your colleagues that do, we would appreciate you emphasizing that they are making our job much more difficult in restricting the use of our tax-exempt bonds. And we—that is one area that we could suggest that you could help our communities meet their infrastructure needs in lessening some of the restrictions that have been placed on the traditional uses of tax-exempt financing.

I would like to make a couple of brief comments on our electric utility. City Utilities has the water, natural gas, electric and public transit for Springfield. Public power, municipally owned electric utilities have been around since the very beginning of electric production in our nation. We have the oldest public power system in the nation in Missouri. We typically serve smaller communities. Springfield is a relatively large public power system. The average—the median system is under 1,700 customers. We are locally controlled, locally owned and the electric system is integrated in with the other services that our communities provide, in that, we typically use the electric facilities to assist in other areas.

One of those areas that is of potential concern to you is our transit system. I have Cathy Meyer, one of our Senior Managers here this morning, who is responsible for the transit system utility to answer any questions you might have on our transit system. I will tell you that our transit system—our revenues fund about 13 percent of the expenses of the transit system. We have had a longstanding federal, local partnership in meeting our needs—this vital public service to our community with our bus system. We support the American Public Transit Association's position on transit funding, and I think I can sum up that position in saying we need a larger federal participation in that area, if at all possible.

On our electric system, I might just add that since there has been tax-exempt financing of anything in the nation, public power systems have used that means to finance our capital intensive projects.

I will be happy to answer any questions anyone has, Mr. Chairman.

The CHAIRMAN. Mr. Cates.

[The prepared statement of Mr. Galloway appears on p. 1490.]

Mr. CATES. Thank you, Mr. Chairman. I am Max Cates from Associated Electric Cooperative, headquartered here in Springfield. It is certainly a pleasure to join you here today to discuss federal hydropower as it relates to the economy of rural Missouri.

As a power supplier for 40 electric cooperatives in Missouri and three in Iowa, Associated serves approximately 1.2 million rural consumers.

Hydroelectric power from federal dams, which is sold as preference power to electric cooperatives and municipal utilities, has been the salvation of the rural electric program in our territory and in many other areas of the country. In fact, low-cost federal power brought and continues to provide electricity to many sparsely populated areas of the United States. Missouri's electric cooperatives average only 4.3 consumers per mile of line, compared to investor-owned utilities, which average 30 consumers per mile of line. Hydropower helps offset the cost of providing service to these remote, low-density areas.

As a matter of fact, if the 41 rural electric cooperatives in Missouri did not have access to federal hydropower, it would have cost us $40 million more to provide service to rural Missouri. The absence of hydropower could substantially increase rates to rural Missouri.

Because of our reliance on hydropower to help us affordably serve our low-density rural areas, we are very interested in H.R. 5314, the Water Resources Development Act of 1990, recently voted out of your Committee. It would authorize the development of water projects by the Army Corps of Engineers.

We strongly urge support for Congressman Tim Valentine's effort to improve language in an amendment titled "Changes in Reservoir Project Operations" that was one of the en bloc amendments accepted in the full Committee mark-up. We understand Mr. Valentine is attempting to make the House language more closely resemble Section 308 of the Senate Water Resources Act, S. 2740. We strongly support Section 308.

The Senate Section 308 language first establishes a broad public participatory procedure for the Corps of Engineers to use in establishment of water control plans. Number two, it requires the corps to determine if a proposed operational change at a project is consistent with Congressionally authorized purposes. And Number three, it instructs the corps to seek congressional authorization for any water control plan which is not consistent with congressionally authorized cost-benefit analysis.

One final note on federal hydropower—as a customer of the Southwest Power Administration, we support its need to maintain financial integrity. However, we are not in support of Southwest Power Administration's 1990 Power Repayment Study which would result in a 17 percent rate increase for us. We would encourage a phased in rate increase, which would allow an accurate validation of Southwest Power Administration's expenses, especially operation and maintenance expense. A gradual approach would also soften the rate impact on our rural consumers, who are already faced with numerous other economic problems.

In summary, I would like to emphasize the importance of federal hydropower in helping rural communities survive. Anything that detracts from the hydroelectric operations of federal projects places a severe burden on our rural communities. Hydropower and recreation can co-exist successfully; but, there is a large price to pay if we underutilize the hydropower purpose of federal projects. We hope that the U.S. Congress and the Administration will maintain the integrity of the federal hydropower program and perpetuate its original intent of supplying low-cost power to rural consumers who need it most.

Gentlemen, thank you for your time and your concern for rural Missouri.

[The prepared statement of Mr. Cates appears on p. 1468.]

The **Chairman**. Mr. Laughlin.

Mr. **Laughlin**. I have no questions. Thank you very much for your input.

The **Chairman**. Mr. Hancock.

Mr. **Hancock**. Here again, Mr. Chairman, in the interest of time, I have the opportunity to visit both of these gentlemen regularly. I had lunch with Mr. Cates just the other day, so I will talk to them on a personal basis. Thank you for coming.

The **Chairman**. Mr. Inhofe.

Mr. **Inhofe**. No questions, Mr. Chairman.

The **Chairman**. Bill Emerson.

Mr. **Emerson**. No questions. Thank you, Mr. Chairman.

The **Chairman**. Well, thank you very much for your presentation.

Our next witness will be Mr. Roger Howard, Executive Director for Government Affairs of the Burlington Northern Railroad. Mr. Howard, you are first.

TESTIMONY OF ROGER W. HOWARD, EXECUTIVE DIRECTOR, GOVERNMENT AFFAIRS, BURLINGTON NORTHERN RAILROAD

Mr. **Howard**. Thank you, Mr. Chairman. I am pleased to have this opportunity to discuss the positive role our company and the rail industry can put in effecting a solution to the congestion and deterioration of the nation's publicly financed infrastructure.

In recent years, our company has worked hard to establish a solid partnership with our companies. In certain instances, our customers that we work with are truckers. We value their business, and we want to maintain our good working relations with them.

We have made dramatic improvements in the handling of carload and door-to-door intermodal shipments. We believe such partnerships offer a positive solution to the problems facing our publicly owned and maintained infrastructure.

In order for this partnership to thrive, we need an efficient network of local highways for pick-up and delivery to complement our long haul rail service. Together, we can provide the shipping public with the most cost-efficient and environmentally sound and safe transportation system possible.

Other witnesses here today, I am sure, have spoken of the positive aspects of their modes of transportation. Let me speak of some of the virtues of the railroad industry.

We are fuel efficient. We use only 2.2 percent of the total fuel consumed on all transportation modes. And we can haul almost three times more ton miles per gallon of fuel than can trucks.

And we are environmentally preferable. Scarcity of land and environmental concerns are obvious reasons why massive amounts of new highways cannot be added in many instances. Because we are more fuel efficient, we contribute less to air pollution. Because we move on steel, we do not create the environmental problems associated with rubber tire wear and tire disposal.

We have excess capacity. In 1989, we hauled a trillion ton miles—a record for our industry. And we have the capability of hauling many times that. Through innovations of technology utilizing telecommunications and satellite tracking, we can increase the capacity of our main line track by as many as three times. By adding parallel tracks, we can increase that capacity by as much as six times. And this can all be done without the land acquisition and the environmental problems common to highway construction.

And railroads have both an outstanding both employee and a safety transportation safety record. We are the only freight transportation system that bears the full cost of construction and maintenance of its infrastructure, and we pay property taxes on that infrastructure.

Although we have emerged from Staggers a healthier industry, transitioning from a tightly regulated environment to a customer-driven marketplace, we continue to face a threatening and competitive marketplace. Skewed by a national policy subsidizing competing modes, government policy continues to exert a profound effect on how the marketplace distributes freight among the various transportation modes. Our company and the rail industry has invested substantially in providing intermodal service to our customers. Continued and/or increased governmental policy preference to other modes will seriously jeopardize our ability to compete in the marketplace. Railroads currently operate at a severe competitive disadvantage, while public policy distorts the transportation choices and reduces the overall efficiency of freight transportation. Truck diversion of rail traffic has slowed as railroads have improved service, consistency, reliability and innovation. Our intermodal technologies are accelerating, and we look forward to justifying our investment in these technologies and achieving our potential marketplace and potential market share.

Today, we offer a solution to the public infrastructure problems. And with your positive consideration, we seek to avert the crisis that is facing our private rail infrastructure.

I have—go ahead, sir.

[The prepared statement of Mr. Howard appears on p. 1518.]

The **Chairman**. Thank you, Mr. Howard. Now, while our Committee technically does not have jurisdiction over railroads as such, there is a direct relationship between what you do and our Nation's infrastructure. Now, how important is that relationship, particularly to your ability to be productive?

Mr. **Howard**. Obviously, the Committee studies and makes recommendations and votes on issues that does affect the competing modes within our Nation's transportation system. And, I have heard testimony here earlier today concerning heavier weights, longer combination vehicle trucks. Those are things that are of concern to our industry.

The **Chairman**. Mr. Laughlin.

Mr. **Laughlin**. I have no questions. Thank you very much.

The **Chairman**. Mr. Emerson.

Mr. **Emerson**. No questions, Mr. Chairman. But, I do appreciate your comments, Mr. Howard, and I am glad that you are here with us today.

Mr. **Howard**. Thank you.

Mr. **Inhofe**. I have no questions. Of course, Mr. Howard, your company has a presence in my district, too, and I was very interested in your comments. Thank you.

The **Chairman**. Thank you very much for your presentation.

Mr. **Howard**. Thank you, Mr. Chairman.

The **Chairman**. And our next group of witnesses will include Mr. Walt Wildman, Associate Director of Interstate 66 Project, Inc.; Mr. Josh Bill, Chairman, and Mr. Blair Moran, Secretary/Treasurer of the Highway 60 Committee; and Mr. Laurel Thompson, Chairman of the Presentation Committee of the Highway 63 Committee. I would like to note that these gentlemen are from Congressman Bill Emerson's district.

Mr. **Emerson**. Mr. Chairman, would you yield to me before they begin just for a very brief comment.

The **Chairman**. Any time. Go ahead.

Mr. **Emerson**. Thank you, Mr. Chairman. I want to say that we have two panels here today from the 8th District to talk about 8th District's—the 8th District's most vital concerns. The first panel here is going to address itself to highway issues. They are going to talk about our highest priority highway issues. And the next panel will discuss some of our concerns relating to flood control and the Mississippi River and tributaries project. And we are nearing the end of the hearing here this morning; but I just wanted to call to your attention, we have made every effort here to organize these panels so they may present their statements in a brief, yet pungent manner, and not take a great deal of the time of the Committee. But, these are very important witnesses with us here today.

I thank you for your indulgence.

The **Chairman**. Thank you, Bill.

Gentlemen, you may begin when ready, and I have you listed in the order of Wildman, Bill, Moran and Thompson. You can take that order or your own order.

TESTIMONY OF WALT WILDMAN, ASSOCIATE DIRECTOR, INTERSTATE 66 PROJECT, INC.; JOSH BILL, CHAIRMAN, HIGHWAY 60 COMMITTEE; BLAIR MORAN, SECRETARY/TREASURER, HIGHWAY 60 COMMITTEE; LAUREL R. THOMPSON, CHAIRMAN, PRESENTATION COMMITTEE, HIGHWAY 63 COMMITTEE

Mr. **Wildman**. Well, thank you, Mr. Chairman and Committee for this opportunity. Thank you, Congressman Emerson, for your comments.

In the three minutes I will try to stay with, I am going to talk about a project that would entail 2,400 miles of interstate highway standard construction. The effect of this highway on the United States and its intermodal potential is great. I am sure you understand that three minutes is not quite sufficient to get into too much detail. Suffice it to say that we recognize that this type of project will, in fact, require the combined efforts of the Federal Government, state government, local government and even private investments. And as this project progresses, we will begin to see an overwhelming positive impact on the United States' potential, which makes all this effort worthwhile.

The I-66 Corridor, as we call it—the I-66 is the term we use to identify it. As I mentioned, it is a 2,400 mile corridor stretching from California to Washington, DC. The potential of economic impact for such a corridor and the effect on international trade is astounding. I will refer to my printed testimony for the details.

One thing I would like to point out, in reference to economic impact is that the northern route option of this proposed I-66 is anticipated to experience an economic impact in excess of $303.7 billion. Plus, a construction impact of $62.7 billion. And the southern route option would create a $281.5 billion impact. And the construction impact would be $64.5 billion. That is a significant gain and illustrates the benefit of adequate highway corridors to GNP.

Considerably more detailed information is available and can be obtained from the working paper or pre-application that we submitted last winter and two video presentations, either one of which would be available to this Committee as individuals or as a group. Thank you.

[The prepared statement of Mr. Wildman appears on p. 1545.]

The **Chairman**. Mr. Bill.

Mr. **Bill**. Mr. Chairman, once again, in the interest of time, I defer to my colleague, Mr. Moran, to read our joint statement. I am here to support him in answering any questions, should there be any.

The **Chairman**. All right. Mr. Moran.

Mr. **Moran**. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today to express our concerns on the topic of federal highway policy.

I live in Sikeston, Missouri, in the southeastern corner of the state, and we have been waiting for 30 years for the completion of a four-lane corridor across the southern tier of this state.

For the record, I would like to point out that this section of south central Missouri and north central Arkansas is the largest area in the eastern two-thirds of the United States not served by an interstate highway. This situation is compounded by the fact that we also have no state four-lane highways through this region.

Study after study on the topic of economic development concludes that businesses expand only along transportation arteries. So, it comes as no surprise that this region of ours also contains some of the poorest counties in the country.

When others tell you that the interstate system has been completed, we would ask that you remember that some regions, such as ours, have been left behind. We do not need or ask for an interstate; but, we would like the Committee to realize that new construction is desperately needed.

In addition, we would like to offer the following thoughts as the subcommittee prepares to rewrite the highway bill.

An increase in the local matching requirements would be devastating to the poorer states without the tax base to generate these resources.

The Committee could greatly assist regions like ours by offering an alternative formula for projects in areas with high concentrations of poverty. This might help counter the distortions we have seen in our state where organized urban state legislative delegations have secured a disproportionate share of the federal funds allocated.

You can argue that being a rural community in a minimum allocation state is the worst of all possible worlds with respect to the federal formula. After our state receives its disproportionately low share, the urban areas grab a disproportionately high share, and we are left with the bare minimum.

Mr. Chairman, we have many people in this region who know all about hard work. But, the jobs are not coming here like they should because there is no acceptable transportation network. Our idea of welfare reform is to create more jobs, but we need some basic investment in our highway system to bring those jobs that will build our future.

Thank you once again for your invitation and kind attention.

[The prepared statement of Mr. Moran appears on p. 1530.]

The CHAIRMAN. Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman, Congressmen. I feel a little bit overwhelmed. I think they have brought the mountain to Mohammed, and I certainly appreciate the opportunity to be here and to present testimony to this Committee. We have submitted written information supporting two primary areas of need.

First, the need for long-range planning for completion of upgrading to four-lanes. The truckers' apparent route of choice from cities like Omaha and Kansas City through Springfield and West Plains, Missouri to Jonesboro, Arkansas, Memphis, and points south and southeast. This diagonal artery has been talked about for a lot of years. It would interconnect at least four major north, south, east, west interstates and obviously would be a highway of national significance.

Secondly, we continue to search for any possible source of help in addressing the immediate problems of the most severely overloaded portion of that corridor, U.S. Route 63 between Willow Springs and West Plains, Missouri. Even though the northeast—or the northwest/southeast corridor has been long talked about and the affected states have attempted to treat the most urgent needs, needed federal priorities, coordination and planning have not been present.

In our presentation, we pointed out examples of area growth, even though we are off the beaten path. Retail sales in our county increases of 10 to 12½ percent annually. Employment in Howell County dipped to 4.9 percent this summer. Our hospital, Ozark Medical Center of West Plains, had 37 percent growth in utilization in just one year in the latter part of this past decade These and other numbers are not speculation. Our area growth is here and still exploding, also creating traffic growth far exceeding most liberal predictions along this 20 miles of U.S. 63.

The combination of unexpected heavy traffic loads, traffic tie-ups, terrain and topography have provided a dangerous combination of factors not really present in any other two-lane routes that we have been able to locate; 28 percent of vehicles are heavy trucks, 34 percent of this 20-mile stretch is yellow-striped no passing zones. And in much of the area where passing is legal, the short distance available, the traffic load and congestion prohibit it.

The latest traffic numbers indicate a 10 to 12 percent growth from just 1988 to 1989. The count on this 20-mile stretch now reaches 8,000—from a low of 8,000 vehicles per day to almost 16,000 vehicles on a single-lane highway just north of West Plains.

This year, as school started, we surveyed and found that the schools along this portion of U.S. 63 have a total of 38 buses moving on or across U.S. 63 each day. Assuming an average of 30 to 40 students per bus, these movements constitute what we feel is an unacceptable risk factor for tragedy. The Missouri Transportation Department has been working with us very closely. They do have plans to address the most urgent needs just north of West Plains, but at least half of this 20-plus miles, plus a critical railroad crossing problem at Pomona, Missouri—they are all in the unfunded ten-year study.

To help our U.S. 63 immediate needs, we would hope that we might find some faster, even immediate federal help with a special project through the highway trust fund. If no such emergency system is currently available, we would urge Congress to seriously work toward the inclusion of such mechanisms in the new federal highway bill.

The people in our area have worked very hard to pull themselves out of the economically depressed column, only to have their efforts and result in success threatened by the stifling effect of 20 miles of outdated, horribly overloaded and dangerous highway. We feel we have the need for one of those demonstration projects.

Mr. Chairman, we appreciate your time and consideration of our submitted evidence and testimony.

[The prepared statement of Mr. Thompson appears on p. 1541.]

The CHAIRMAN. Well, thank you for your informative statements. I notice you have all mentioned specific highway projects. Now, how are these critical in bringing economic development to the area and in increasing overall productivity in the state?

Mr. **Thompson**. In our particular area, I might point out that we—I serve as the current President of the West Plains Industrial Corporation. I am a representative of the Chamber of Commerce and a private businessman in the area. We have not sought out new industry now for the past couple of years through our IDC. We are trying to serve those industries we do have.

But, we have been approached very recently by a high tech manufacturer from your state of California, who tells us that he is bringing 20 small- to medium-sized companies to north central Arkansas and south central Missouri. We are also working with a high tech firm out of Canada also with offices in the United States, talking in terms of alternate fuels, conversion of wood waste to energy, et cetera, that is talking in terms of a couple of hundred new employees along the middle part of this route we are talking about. I think most of that is addressed in the written testimony.

We find it very, very difficult. We are seeing a rash of heavy truck accidents, the mixing of ag traffic, along with the heavy crush of truck transport on a two-lane highway where a vehicle just cannot pass. It is becoming a very tragic time bomb.

Mr. **Bill**. Mr. Chairman, if I could add to that——

The **Chairman**. Mr. Bill.

Mr. **Bill**. If I could add to that response. Both in terms of the studies that we have seen. I am active in economic development in my community of Sikeston, Missouri. The studies that we have seen indicate that all manufacturing relocation decisions are made within—or virtually all are made within a 25-mile distance of an acceptable four-lane artery. We have—that is coupled with a specific experience in the state of Missouri, where we have been told by the State Economic Development Department that all of the new industries or businesses moving to Missouri are not interested in locating anywhere other than on the interstate arteries or an acceptable four-lane divided highway. They have—obviously, have to get their products to market, and they are not going to bring jobs to areas that do not have service from those arteries.

The **Chairman**. Mr. Hammerschmidt.

Mr. **Hammerschmidt**. Thank you, Mr. Chairman. Gentlemen, we thank you very much for your testimony. Your testimony is more complete and rather comprehensive, but it just reiterates what Bill Emerson and Mel Hancock have been telling us on the need for 66 and 63 and 60 improvements. And, you know, we are very familiar with it because of their input, but we are a lot more familiar with it now, and we appreciate your testimony very much. Thank you.

The **Chairman**. Greg Laughlin.

Mr. **Laughlin**. Thank you, Mr. Chairman. I want to thank each one of you for your testimony today. You have addressed some issues that many people are totally unaware of the existence of inadequate transportation in major parts of our country. It is indeed a great thing to have the interstate system, and it was very needed at the time and addressed many of the needs at the time. But, that was designed back in the 1950s. It took 30 years to get it constructed, and we are very pleased to have it. But, your area is very much like mine. There are major gaps. And when you look at the road system and as each of you have addressed, trying to attract desirable economic development to your area to help out on the tax base, you cannot attract them when you do not have transportation. So, you are pointing out needs. We need to fill in those gaps. And I am pleased to hear your testimony along those lines. Thank you very much.

The CHAIRMAN. Bill Emerson.

Mr. EMERSON. Thank you, Mr. Chairman. I will not belabor the point here. I hear from these people a lot. I want to say that I look forward to working—continuing to work with them in reflecting to the Committee the views that have been expressed here as we move towards work on this very important reauthorization of the Highway Act next year. These two panels represent, Mr. Chairman, in my view—the one on highway needs and the one on our flood control and water control issues—two of the most significant issues—economic-related issues affecting southeast Missouri. They are issues that we cannot possibly deal with on our own without federal assistance. And, with the right kind of federal help, we could achieve a great step forward in terms of economic development for which all of our people are looking.

And so, I am delighted that these two panels, in particular, have had the opportunity to be here today so that the distinguished members of this Committee and the staff of this Committee could hear first hand what they have to say. Thank you.

The CHAIRMAN. Congressman Inhofe.

Mr. INHOFE. Mr. Chairman, thank you. I have one question, and that is—I am very much impressed with your titles of 60 Committee and 63 Committee. How structurally do you work these? I know what your mission is—to promote the improvements and the development of those areas. But, is this done through some type of a state agency? I suppose I should have known this before coming here. When you talk about the Highway 60 Committee, how is that structured?

Mr. BILL. Actually, sir, I can speak for the Highway 60 Committee. This came into being spontaneously at the local level. And I have had a number of meetings with members of the Missouri Transportation Development Council, which is a network organization at the state level. And I believe their experience has been that the committees formed along the corridors of greatest need, again, as identified by local citizens. Really, each have come together spontaneously. We contacted MTD or were contacted by them after we came into existence. I defer actually to Mr. Moran, who was the instigator of the start of our committee in our area, and we have now formed working alliances in groups with communities along the corridor. This stretches across southern Missouri. But, it was spontaneous combustion, if you will, because we all recognized the need. I cannot speak to the other committees; but, I can tell you that that is——

Mr. INHOFE. But, you are coordinating the efforts. You can look at your priorities and have everyone decide this and decipher the needs along these corridors. See, maybe you are assuming this happens all over the country; but, it really does not. I am very much impressed with how well coordinated you guys are in putting your act together.

Mr. BILL. A lot of the leadership, I think, has to be given credit to the Missouri Transportation Development Council and our Highway Department and the Highway Commission. We worked closely with them, and they have been very encouraging of our efforts, of course, within limits because they face the same kind of constraints you have heard of. But, they have been very helpful to us and kept in constant communication with us, keeping us apprised of what the prospects are and what needs to be done on the state level, now, in terms of raising additional state revenues.

Mr. **Inhofe**. Well, Mr. Chairman, I think this is—this makes our job easier when you are listening to someone who has coordinated a concern and put it in some type of an entity where they express themselves on behalf of the whole system. I think I have learned a lesson to take back to Oklahoma.

Mr. **Bill**. A lot of credit for that goes to our Chief Engineer, Wayne Muri, but you cannot have him.

The **Chairman**. Well, thank you very much for your presentation.

And our final panel members, also from Bill Emerson's district, include Mr. Dave Brewer, a member of the Birds Point/New Madrid Floodway Study Team; Mr. Lester Goodin, also a member of the Birds Point/New Madrid Floodway Study Team and President of the Buffalo Bend Levee Association; and Mr. Ralph Boyer, Presiding Commissioner of Scott County, who has been active in the St. Johns Dry Bayou Project. Gentlemen, please be seated, and you can take that order if you wish, Brewer, Goodin and Boyer, or change it any way you wish.

TESTIMONY OF DAVID B. BREWER, MEMBER, BIRDS POINT-NEW MADRID FLOODWAY STUDY TEAM; RALPH BOYER, PRESIDING COMMISSIONER, SCOTT COUNTY, ACTIVE IN ST. JOHNS DRY BAYOU PROJECT; LESTER W. GOODIN, PRESIDENT, BUFFALO BEND LEVEE ASSOCIATION, MEMBER, BIRDS POINT/NEW MADRID FLOODWAY STUDY TEAM

Mr. **Brewer**. I will start, if that is all right. Mr. Chairman, members of the Committee. I have been assigned the task of discussing the ability to pay provision associated with water resource projects in the economically depressed Mississippi River Delta Region.

Mississippi County is one of three counties in southeast Missouri that will benefit from a flood control project known as the St. Johns Bayou/Birds Point-New Madrid Floodway Project. The project was authorized by the Congress in the Water Resources Development Act of 1986.

I am going to tell you that we have got problems.

The St. Johns Bayou-New Madrid Floodway Project is a good project and one that would save more than $8.5 million in flood damages annually to a large tri-county area of the State of Missouri, which happens to be the northernmost portion of the Mississippi Embayment, the geological feature associated with the Mississippi River Delta. The area is fundamentally rural and is economically depressed.

The project would also provide fish and wildlife mitigation lands preserving our environment and increasing habitat for wildlife. Most of this land has been cultivated for more than 100 years. The project will not drain wetlands; it will allocate additional lands for wetland management.

At the moment, we have two distinct drainage basins created by the construction of the Birds Point-New Madrid Floodway in the 1930s. A setback levee divides the two basin.

Backwater enters a 1,500-foot gap between the setback and frontline levees near New Madrid during relatively minor floods on the Mississippi River. The water drains out pretty well as soon as the river drops, but backwater flooding does get to be expensive and limits development in that area. In fact, at times, they have to close Interstate 55 because of the backwater flooding south of Sikeston.

As far as the St. Johns Basin is concerned, all of that portion behind the setback levee drains only through six 10x10 foot gates in the setback levee near New Madrid. Local water gets impounded behind the levees often and floods portions of Scott, Mississippi and New Madrid Counties for long periods of time.

The project involves improving rural and urban channels in Mississippi, Scott and New Madrid Counties and the construction of two pumping plants, one to serve St. Johns Bayou area of the three counties and a second for the Birds Point-New Madrid Floodway.

In a related project authorized in the 1950s and expected to be funded federally, the 1,500-foot gap in the levee would be closed.

The project includes the purchase of 2,500 acres of land in the Ten Mile Pond area and development of two greentree reservoirs there for mitigation. The sump area of each of the pumping stations would be allowed to flood each year for migratory waterfowl, allowing a total of 775 acres of woodland and 4,129 acres of cropland to flood each year after harvest. This would provide migratory waterfowl nesting and feeding areas.

Latest total construction costs are estimated to be more than $77 million, including flood control and fish and wildlife mitigation, with $30.5 million being the non-federal cost. Of that amount, the estimated non-federal cash up front of construction costs will be $3.85 million.

The operation, maintenance and replacement cost for the project as estimated by Corps are $558,000 annually. Of that amount, $530,000 is the annual cost of the flood control features alone.

We have two primary sponsors, the St. Johns Levee and Drainage District and the St. John's Bayou Basin Drainage District. We also have seven other sponsors, including the City of Sikeston, the Missouri Department of Conservation, two county commissions, Levee District Number 3, Consolidated Drainage District Number 1 of Mississippi County and St. James Drainage District of Missouri, all of which have some jurisdiction over physical improvements to the land in specific portions of the project.

We do not have an umbrella district formed to identify benefits or levy taxes to meet expenses. We have been looking locally at the possibility of enlarging St. Johns Levee and Drainage District and reassessing benefits, bringing in more money. However, St. Johns only raises $70,000–80,000 annually. Even with an enlarged tax base—even if we double the tax base—they still will not be able to take care of the current obligations and operate and maintain those pumps. The other primary potential sponsor, St. Johns Bayou Drainage District, raises $24,000 annually.

As I said, the local cost share requirement for this project, including the purchase of mitigation land, is more than $30 million. Operation and maintenance is expected to be $558,000 annually.

We do not know where we can come up with that kind of money.

For one thing, according to Missouri statutes, a Levee or Drainage District can only tax up to ten percent of the cost of the original construction of that district in one year. Many of the districts are taxing at or near this level at this time. There is no way we can float bond issues when we cannot increase our revenues to pay off the bonds. It is an unfortunate fact of life that most local subdivisions are scraping the bottom of the barrel now to meet existing obligations.

In summary, the St. Johns Bayou-New Madrid Floodway Project is one we have longed for and worked toward for more than 20 years—it is not pork barrel. It is a good project supported by all agencies involved. The kicker, after all this time and study, is we, the local interests, cannot afford to build it if we must pay five percent of the cost of construction up front and 40 percent of the total cost. And even if did miraculously get it built, we could not afford to operate, maintain and replace it. We do not know where we can come up with that kind of money. That is the problem facing citizens residing in the Mississippi River Delta. We have to live with the river as best we can. And the water in that river comes from 41 percent of the contiguous 48 states and portions of Canada.

We would like to go on record in support of Section 12 of H.R. 5314, the Water Resources Development Act of 1990, and in total opposition to Section 15 of that same proposed Act. Section 12, we understand, would give us some relief concerning cost sharing requirements, while Section 15 will effectively block any development within the 100-year floodplain.

I have included a copy of Section 15 for your reflection.

Thank you all.

The CHAIRMAN. Now, your entire prepared statement will be made a matter of record, and I would remind the other witness to perhaps paraphrase for the sake of time. So, I guess Mr. Goodin is next or Boyer, either way. Mr. Boyer.

[The prepared statement of Mr. Brewer appears on p. 1461.]

Mr. BOYER. Chairman, gentlemen. My name is Ralph Boyer, and I am the Associate Commissioner for Scott County, Missouri. I am here today to discuss the issue of flood control as part of our very critical infrastructure needs.

In particularly, I have been actively involved in trying to help make progress on the St. Johns Bayou Flood Control Project. This project, which was authorized by Congress in the 1950s and then authorized for implementation in the Water Resources Development Act of 1986, calls for the construction of two pumping stations which would serve three counties, more than 140 miles of channel improvements and the purchase of almost 7,500 acres for mitigation efforts. I might add that the plan has tremendous potential for serving migratory waterfowl, and thus would provide the added benefit of a valuable wetland area for environmental needs.

This is a vital infrastructure need for Scott County and one that will enable us to control flood waters and attract economic development, businesses, jobs and ensure stable transportation routes in the area, while also playing a role in helping our environment. In short, this is a very worthwhile project and one that enjoys support from everyone involved.

The overwhelming problem that our community faces is that over the 20 years that we have been trying to start this project, we simply have not been able to come up with the local cost share, that is, some $33 million. A bond issue is out of the question in rural Scott County because we would be unable to pay it back. Nonetheless, this project is desperately needed to control the flood waters of the Mississippi River, and the costs continue to grow even further out of reach.

The Water Resources Act, which the House Public Works and Transportation Committee recently adopted, contains a provision which may be of some help to us. Section 12 of this legislation gives the Army Corps of Engineers the flexibility of reducing the local cost share requirements to take into account situations very much like the one I have just described—one where the local community is in great need, but cannot afford the up-front capital costs. I cannot emphasize strongly enough how important this section is, not only to St. Johns Bayou Project and to Scott County, but to numerous other flood control projects which are not represented here today.

Mr. Chairman, in short, we have long needed help for the cost of bringing our county's infrastructure up to par. Your Committee has provided an avenue which is a good start for us to make long overdue progress. The rest of this country may take for granted that their excess rain water drains away and never floods their cities and towns. But I can tell you where almost half of that water winds up. The Mississippi River provides a basic service that goes largely unnoticed, except for those who live near her shores. If we can control this flooding, we can ensure our community will grow strongly into the future.

Thank you.

The CHAIRMAN. Mr. Goodwin.

[The prepared statement of Mr. Boyer appears on p. 1459.]

Mr. GOODIN. Mr. Chairman, I am Lester Goodin. I am President of Buffalo Bend Levee Association, which is a private—small private levee association in Mississippi County, Missouri. And I have a most urgent problem. You are examining our nation's—the future of our nation's infrastructure needs. Yet, I come from the Mississippi Delta and represent an area that is specifically and, by definition, excluded from consideration for any infrastructure improvement. That is the entire Mississippi Delta.

If I may direct your attention to Section 15 of House Resolution 5314, entitled "The Water Resources Development Act of 1990." To summarize this bill's specific instructions, no area within the 100-year floodplain may be included—and I am quoting here—"may be included in the benefit base for justifying federal flood damage reduction projects." Gentlemen, this means that virtually the entire Mississippi Delta is effectively and forever excluded from further development of its infrastructure since virtually the entire Mississippi Delta is within that 100-year floodplain. We must participate in that.

Yet, if House Resolution 5313 becomes law, such projects will be impossible to justify almost anywhere in the Delta. Therefore, I urge that this resolution, which has been reported out of Committee and, I understand, is before the full House, is critically flawed, and I urge its reconsideration.

If I may add, on a more personal note, it is my understanding, gentlemen, that this—the specific language of Section 15 was drafted by a Mr. J. Hair, who is President of the National Wildlife Federation. His narrowly conceived agenda in drafting this language is, in my opinion, what gives the so-called "environmentalists" a bad name, and I resent it very much. Gentlemen, I am an environmentalist. We are environmentalists. We are conservationists. We believe in a strong and a clean country.

For example, my small Buffalo Bend Levee Association has in the past four years planted over 100,000 trees for erosion control and wildlife area on private land, privately done—100,000 trees. Mr. Brewer is President of Levee District Number 3, and I am a Board member. We have planted over 80,000 trees on public land, which we have charge of. And we also have a new project which will begin this year where we are going to try on the first section of 13 miles of setback levee in the Birds Point-New Madrid Floodway to recreate the virgin forest that was there when the Indians were there.

I spoke with Dr. George Yatskavich of the world-famous Missouri Botanical Gardens. Missouri Botanical Gardens is featured in this month's National Geographic Magazine. He says that trying to recreate a virgin forest—he says you people are five years ahead of your time. No one has ever tried to do this.

The point is, we are environmentalists. We are concerned. We are conservationists. And we very much resent the very narrowly conceived agenda that led to this language being included. His sweeping agenda includes wilderness, wetlands, waterfowl and wildlife. Ours includes those things as well. But in addition, it includes the crucial human dimension that his totally ignores. Thank you.

[The prepared statement of Mr. Goodin appears on p. 1500.]

The CHAIRMAN. I want to thank each of you for your statements. I think you have made your points well. You should rest assured that we will take your message back with us to Washington and will work with Congressman Emerson in trying to address them. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you very much, gentlemen, for your very good statements. I have many of the same concerns you do about section 15. I was instrumental in putting section 12 in there because we have some tremendous damages to the levee system down in southwest Arkansas. And I wanted to give the Corps some flexibility to look and see. It has been their policy, as you know, not to build levees to protect private producing farmlands. That has always been their policy. But, we put section 12 in there to give them some flexibility. Hopefully, they will use it. But, I worry, as you do, about section 15. I thank you for your testimony.

The CHAIRMAN. Mr. Inhofe.

Mr. **Inhofe**. Yes. Let me ask you a question, Mr. Goodin. What was your—that is quite an ambitious planning—planting program that you have undertaken and I guess—are you through the program or are you in the middle of it? And what was your source of funding for that program?

Mr. **Goodin**. It continues. The impetus for it was erosion control and wildlife cover. It is virtually complete, I say. One hundred thousand trees is a lot of trees. We will probably add another 20,000, 30,000 in the coming years. This is all on private land. Over $200,000 worth of prime agricultural land. We got together. The Missouri Department of Conservation cooperated. We had the Department of Forestry. We had the Soil Conservation Service, the ASC office. We had Westvaco Timber Corporation gave us vital technical help. And we put the project together and did it.

Mr. **Inhofe**. I see. That is a very impressive and ambitious project. I think it does show that the wildlife, environmentalist and conservation concerns can be one and the same.

Mr. **Goodin**. That is exactly right.

Mr. **Inhofe**. Thank you, sir.

The **Chairman**. Bill Emerson.

Mr. **Emerson**. No questions, Mr. Chairman. I just want to say how grateful I am that you and Mr. Hammerschmidt, Mr. Laughlin, Mr. Inhofe and Mr. Hancock could hear this statement as it relates to a water problem over which this Committee has jurisdiction. And I think these witnesses have made very, very sensitive statements, and I am just glad you all are here to hear it straight from them. I try to convey their views all the time in the Committee and other fora in Washington. But, I think that to hear it directly from the affected people—these are natural environmentalists and conservationists sitting before us right now. They have lived on the land all their lives. They know what they are talking about. And it is important that their point of view be well heard, and I am grateful to all of you for being here today to hear it.

The **Chairman**. Mr. Hancock.

Mr. **Hancock**. Mr. Chairman, I do not have any questions of this group. I also have worked in the environmental area. In fact, I planted over 3,000 walnut trees on some prime land in Green County—and incidentally, they are doing great. I do not know whether I will live long enough to see the product; but it is a project that I have been working on since 1977. And I have been advocating in this area especially that I feel everybody out there ought to have at least eight or ten acres of walnut or hardwood planted. Not only does it help the environment. It helps the game, the fish, the wildlife, and the run-off of water. But, it would have a great economic impact. I wish I had planted those trees when I was 20 years old. I would hate to even estimate what the cost—or the value—of that 3,000 pruned and taken care of walnut trees would be now if they were 40 years old.

But, anyway, is this the proper time for me to make a closing statement, sir?

The **Chairman**. Yes.

Mr. **Hancock**. Thank you.

I really appreciate, Mr. Chairman, you coming to the 7th District, John Paul, Bill Emerson, Greg Laughlin and Jim Inhofe as well. It is a real honor to be associated with this Committee and a person that has had the career that you have had over 50 years of public service of various types. The support that I have received over the past two years from this group in particular has been something that, quite frankly, I will treasure the rest of my life and as long as I serve in the United States Congress. And I really appreciate the Committee—the people who have come in and testified to this Committee and the cooperation, not only of the Congressmen themselves, but all of our staff. I think you have got the best Committee on Capitol Hill.

The CHAIRMAN. Thank you.

Mr. HANCOCK. And I guess I could say "we have the best committee."

The CHAIRMAN. We have.

Mr. HANCOCK. Thank you, sir.

The CHAIRMAN. And I want to thank all of our witnesses here today for their expertise and for helping us better understand the importance of our nation's infrastructure needs from the perspective of the State of Missouri. I also want to thank the people of the 7th District for their warmth and hospitality. And Mel, I thank you for your untiring interest and enthusiasm and your staff for their hard work in making today's hearing possible. And of course, I am also pleased that Bill Emerson's constituents' statements were—interests were represented, and we will be working with Bill to meet the needs which were articulated. Anyway, thank you. I thought that was a very good meeting.

With that, the Committee stands adjourned. Thank you very much.

[Whereupon, at 12:01 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

STATEMENT OF RALPH BOYER REGARDING FLOOD CONTROL
AUGUST 31, 1990

Mr. Chairman, Gentlemen:

My name is Ralph Boyer and I am the Associate Commissioner for Scott County, Missouri. I am here today to discuss the issue of flood control as part of our very critical infrastructure needs.

Scott County, in the far southeastern edge of Missouri, has approximately 15 miles of Mississippi River shoreline. We have historically faced, and continue to face some rather unique problems living next to this powerful river. The Mississippi River, as you may know, drains almost half of the entire nation's water, and Scott county is located in part of the "funnel" where this water begins to collect in huge volume. There are many vital flood control projects along the Mississippi, and many more that are needed.

In particular, I have been actively involved in trying to help make progress on the St Johns Bayou Flood Control Project. This project, which was authorized by Congress in the 1950's, and then authorized for implementation in the Water Resources Development Act of 1986, calls for the construction of two pumping stations which would serve three counties, more than 140 miles of channel improvements, and the purchase of almost 7;500 acres for mitigation efforts. I might add that the plan has tremendous potential for serving migratory waterfowl,and thus would provide the added benefit of a valuable wetland area for environmental needs.

This is a vital infrastructure need for Scott County, and one that will enable us to control flood waters and attract economic development, businesses, jobs, and ensure stable transportation routes in the area while also playing a role in helping our environment. In short, this is a very worthwhile project, and one that enjoys support from everyone involved.

The overwhelming problem that our community faces, is that over the twenty years that we have been trying to start this project, we *simply have not been able to come up with the local cost share, that is some $33 million dollars. A bond issue is out of the question in rural Scott County, because we would be unable to pay it back. Nonetheless, this project is desperately needed to control the flood waters of the Mississippi River, and the costs continue to grow even further out of reach.*

The Water Resources Act, which the House Public Works and Transportation Committee recently adopted, contains a provision which may be of some help to us. Section 12 of this legislation gives the Army Corps of Engineers the flexibility of reducing the local cost share requirements to take into account situations very much like the one I have just described -- one where the local community is in great need, but cannot afford the up-front capital costs. I cannot emphasize strongly enough how important this section is, not only to St Johns Bayou Project and to Scott County, but to numerous other flood control projects which are not represented here today.

Mr. Chairman, in short, we have long needed help with the costs of bringing our county's infrastructure "up to par." Your committee has provided an avenue which is a good start for us to make long-over due progress. The rest of this country may take for granted that their excess rain water drains away and never floods their cities and towns, but I can tell you where almost half of that water ends up. The Mississippi River provides a basic service that goes largely unnoticed, except for those who live near her shores. If we can control this flooding, we can ensure our community will grow strongly into the future.

Thank you.

LEVEE DISTRICT NO. 3

Mississippi County
P. O. BOX 176
WYATT, MISSOURI 63882

REMARKS BY DAVID B. BREWER, PRESIDENT, LEVEE DISTRICT NO. 3, MISSISSIPPI COUNTY, MISSOURI TO THE PUBLIC WORKS AND TRANSPORTATION FIELD HEARING IN SPRINGFIELD, MISSOURI

AUGUST 31, 1990

Mr. Chairman. Gentlemen. I have been assigned the task of discussing the "ability to pay" provision associated with water resources projects in the economically depressed Mississippi River Delta Region.

Mississippi County is one of three counties in Southeast Missouri that will benefit from a flood control project known as the St. Johns Bayou/Birds Point-New Madrid Floodway Project. The project was authorized by the Congress in the Water Resources Development Act of 1986.

I am going to tell you folks, we have problems.

The St. Johns Bayou-New Madrid Floodway flood control project is a good project, a worthy project, and one that would save more than $8.5 million in flood damages annually to a large, tri-county area of the State of Missouri, which happens to be the northernmost portion of the Mississippi Embayment, the geological feature associated with the Mississippi River Delta. The area is fundamentally rural and is economically depressed.

The project would also provide fish and wildlife mitigation lands preserving our valuable environment and increasing habitat for wildlife. Most of this land has been in cultivation for more than 100 years. The project will not drain wetlands; it will allocate additional lands for wetland management.

At the moment, we have two distinct drainage basins, created by the construction of the Birds Point-New Madrid Floodway in the 1930s. A setback levee divides the two basins. (Refer to map.)

Backwater enters a 1,500-foot gap between the setback and frontline levees near New Madrid during relatively minor floods on the Mississippi River. The water drains out pretty well as soon as the river drops, but backwater flooding does get to be expensive and limits development in that area

As far as the St. Johns Basin is concerned, all of that portion behind the setback levee drains only through six 10 X 10 foot gates in the setback levee near New Madrid. Local water gets impounded behind the levee often and floods portions of Scott, Mississippi and New Madrid Counties for long periods of time.

The project involves improving rural and urban channels in Mississippi, Scott and New Madrid Counties and the construction of two pumping plants, one to serve the St. Johns Bayou area of the three counties, and a second for the Birds Point-New Madrid Floodway.

In a related project authorized in the 1950s and expected to be funded Federally, the 1,500-foot gap in the levees would be closed.

The project includes the purchase of 2,500 acres of land in the Ten Mile Pond area and development of two greentree reservoirs there for mitigation; and fish pool weirs on St. Johns Bayou Main Ditch. The sump area of each of the pumping stations would be allowed to flood each year for migratory waterfowl, allowing a total of 775 acres of woodland and 4,129 acres of cropland to flood each year after harvest. This would provide migratory waterfowl nesting and feeding areas, and would increase hunting opportunities during the winter months.

Latest total construction costs are estimated to be more than $75 million, including flood control and fish and wildlife mitigation, with $30.5 million being the non-federal cost. Of that amount, the estimated non-federal "cash up front of construction" costs will total $3.85 million.

The operation, maintenance and replacement costs for the project, as estimated by the Corps, are $558,000 annually for both flood control and mitigation. Of that amount, $530,000 is the annual cost of the flood control features alone.

We have two primary sponsors — the St. Johns Levee and Drainage District and the St. John's Bayou Basin Drainage District. We also have seven other sponsors, including the City of Sikeston, the Missouri Department of Conservation, two county commissions, Levee District No. 3, Consolidated Drainage District No. 1 of Mississippi County and St. James Drainage District of Missouri, all of which have some jurisdiction over physical improvements to the land in specific portions of the project.

We do not have an "umbrella" district formed to identify benefits, or to levy taxes to meet expenses. We have been looking locally at the possibility of enlarging St. Johns Levee and Drainage District and reassessing benefits, bringing in more money. However, St. Johns only raises from $70,000 to $80,000 annually. Even with an enlarged tax base — even if we double the tax base — they still will not be able to take care of current obligations and operate and maintain those pumps. The other primary potential sponsor, St. Johns Bayou Drainage District raises only $24,000 annually.

As I said, the local cost share requirement for this project, including the purchase of the mitigation land, is more than $30 million. Operation and maintenance is expected to be $558,000 annually.

We don't know where we can come up with that kind of money.

For one thing, according to the Missouri Statutes, a Levee or Drainage District can only tax up to 10 percent of the cost of the original construction of that District in one year. Many of the Districts are taxing at or near this level at this time. There is no way we can float bond issues when we can't increase our revenues to pay off the bonds. It is an unfortunate fact of life, that most local political subdivisions are scraping the bottom of the barrel now to meet existing obligations. How can they assume additional obligations?

In summary, the St. Johns Bayou-New Madrid Floodway Project is one we have longed for and worked toward for more than 20 years. It is not "pork barrel." It is a good project, supported by all agencies involved. The kicker - after all this time and study - is we, the local interests - cannot afford to build it if we must pay five percent of the cost of construction up front and 40 percent of the total cost. And - even if we did miraculously get it built - we couldn't afford to operate, maintain, and replace it. The local OM&R share is $558,000 annually. We don't know where we can come up with that kind of money.

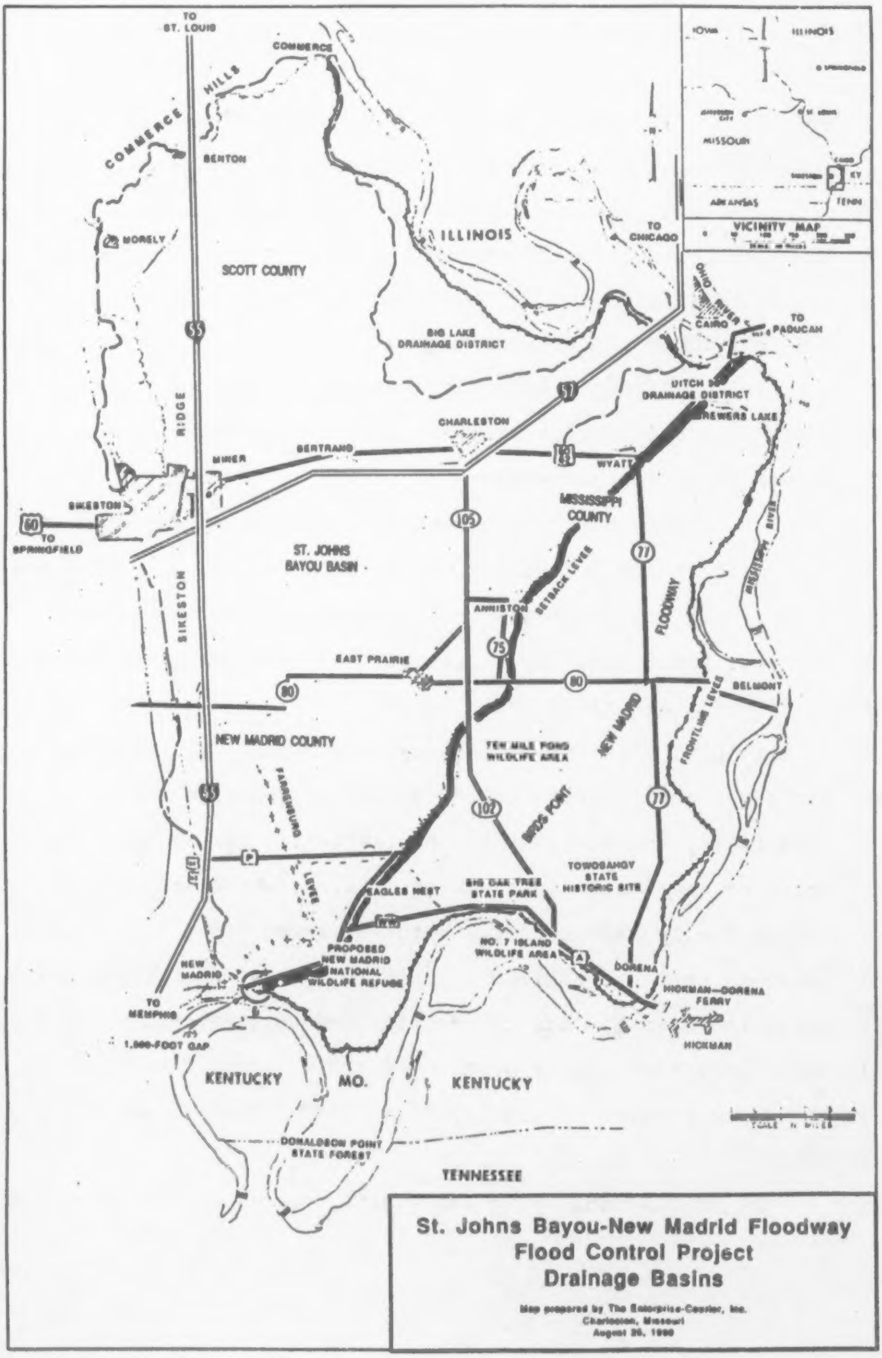
That is the problem facing citizens residing in the Mississippi River Delta. We have to live with the river, as best we can. And the water in that river comes from 41 percent of the contiguous 48 states and portions of Canada.

We would like to go on record in support of Section 12 of HR 5314, the Water Resources Development Act of 1990, and in total opposition to Section 15 of that same proposed Act. Section 12, we understand, would give us some relief concerning the cost sharing requirement, while Section 15 will effectively block any development within the 100-year floodplain.

I have included a copy of Section 15 for your reflection.

Thank you for your consideration.

Are there any questions?


TO ST. LOUIS
COMMERCE
COMMERCE HILLS
BENTON
MORELY
SCOTT COUNTY
ILLINOIS
TO CHICAGO
BIG LAKE DRAINAGE DISTRICT
55
57
RIDGE
CHARLESTON
BERTRAND
MINER
62
WYATT
SIKESTON
60
TO SPRINGFIELD
105
MISSISSIPPI COUNTY
ST. JOHNS BAYOU BASIN
SIKESTON
77
ANNISTON
SETBACK LEVEE
FLOODWAY
75
EAST PRAIRIE
80
80
BELMONT
NEW MADRID COUNTY
TEN MILE POND WILDLIFE AREA
NEW MADRID
FRONTLINE LEVEE
FARRENBURG
LEVEE
55
102
BIRDS POINT
77
P
61
TOWOSAHGY STATE HISTORIC SITE
EAGLES NEST
BIG OAK TREE STATE PARK
WW
PROPOSED NEW MADRID NATIONAL WILDLIFE REFUGE
NO. 7 ISLAND WILDLIFE AREA
A
DORENA
NEW MADRID
TO MEMPHIS
HICKMAN—DORENA FERRY
HICKMAN
1,500-FOOT GAP
KENTUCKY
MO.
KENTUCKY
SCALE IN MILES
DONALDSON POINT STATE FOREST
TENNESSEE
OHIO RIVER
CAIRO
TO PADUCAH
DITCH 30 DRAINAGE DISTRICT
BREWERS LAKE
MISSISSIPPI RIVER
IOWA
ILLINOIS
SPRINGFIELD
JEFFERSON CITY
ST. LOUIS
MISSOURI
CAIRO
KY
ARKANSAS
TENN
VICINITY MAP

St. Johns Bayou-New Madrid Floodway
Flood Control Project
Drainage Basins

Map prepared by The Enterprise-Courier, Inc.
Charleston, Missouri
August 26, 1990

HR5314

and section 13, the term ``wetlands'' means those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

SEC. 15. FLOOD PLAIN MANAGEMENT.

(a) BENEFIT-COST ANALYSIS.--The Secretary shall not include in the benefit base for justifying Federal flood damage reduction projects--

(1) any new or substantially reconstructed structure built in the 100-year flood plain after July 1, 1991; and

(2) any structure that becomes located in the 100-year flood plain by virtue of constrictions placed in the flood plain after July 1, 1991.

(b) COST SHARING.--Not later than January 1, 1992, the Secretary shall transmit to Congress a report on the feasibility and advisability of increasing the non-Federal share of costs for new projects in areas where new or substantially reconstructed structures and other constrictions are built or placed in the 100-year flood plain after the initial date of the affected governmental unit's entry into the regular program of the national flood insurance program of the National Flood Insurance Act of 1968.

(c) REGULATIONS.--The Secretary, in consultation with the

Director of the Federal Emergency Management Agency, shall issue regulations to implement this section. Such regulations shall define key terms, such as new or substantially reconstructed structure, constriction, and 100-year flood plain.

(d) APPLICABILITY.--The provisions of this section shall apply to any project, or separable element thereof, for which a final report of the Chief of Engineers has not been forwarded to the Secretary on or before July 1, 1998.

SEC. 16. SHORELINE PROTECTION.

Not later than 1 year after the date of enactment of this Act, the Secretary shall transmit to Congress a report on the advisability of not participating in the planning, implementation, or maintenance of any beach stabilization or renourishment project involving Federal funds unless the State in which the proposed project will be located has established or committed to establish a beach front management program that includes--

(1) restrictions on new development seaward of an erosion setback line (based on preproject beach size) of at least 50 times the annual erosion rate;

(2) restrictions on construction of new structural stabilization projects, such as seawalls and groins, and their reconstruction if damaged by 50 percent or more;

(3) provisions for the relocation of structures in erosion-prone areas;

Statement by

Max Cates
Associated Electric Cooperative, Inc.
Springfield, Missouri

Before the

Committee on Public Works and Transporation
U.S. House of Representatives
August 31, 1990
Springfield, Missouri

Benefits of Hydropower for Rural Missouri's Economy

Thank you, Mr. Chairman, ladies and gentlemen.

It's a pleasure to join you today to discuss federal hydropower as it relates to the economy of rural Missouri. As the power supplier for 40 electric cooperatives in Missouri and three in Iowa, Associated serves approximately 1.2 million rural consumers.

Hydroelectric power from federal dams, which is sold as preference power to rural electric cooperatives, has been the salvation of the rural electric program in our territory and many other areas of the country. In fact, low-cost federal power brought, and continues to provide, electricity to many sparsely populated areas of the United States. Missouri's electric cooperatives average only 4.3 consumers per mile of line compared to investor-owned utilities which average 30 consumers per mile of line. Hydropower helps offset the cost of providing service to these remote, low-density areas.

In 1988, a total of 648 rural electric distribution systems throughout the nation obtained energy from federal marketing agencies, or preference power, at favorable rates.

If the 41 rural electric cooperatives in Missouri did not have access to federal hydropower, it would have cost us $40 million more to provide service to rural Missouri. The absence of hydropower could substantially increase rates to rural Missourians.

Because of our reliance on hydropower to help us affordably serve our low-density rural areas, we are very interested in HR5314, the Water Resources Development Act of 1990 recently voted out of your committee. It would authorize the development of water projects by the Army Corps of Engineers.

We support the concept of maintaining a regular schedule of authorization bills for Corps projects, and hope that a water resources act can be enacted this year.

However, we strongly urge support for Congressman Tim Valentine's effort to improve language in an amendment titled "Changes in Reservoir Project Operations" that was one of the en bloc amendments accepted in the full committee mark-up. We understand Mr. Valentine is attempting to make the House language more closely resemble Section 308 of the Senate Water Resources Act, S. 2740. We strongly support Sec. 308.

The Senate Sec. 308 language:

(1) Establishes a broad, public participatory procedure for the Corps of Engineers to use in the establishment of water control plans;

(2) Requires the Corps to determine if a proposed operational change at a project is consistent with Congressionally authorized purposes; and

(3) Instructs the Corps to seek Congressional authorization for any water control plan which is not consistent with Congressionally authorized cost-benefit analysis.

Society's needs and interests change with time. Certainly we need to respond to those changes. However, we believe that Congress, and not the Corps of Engineers, should be the arbiter of society's changing interests. Thus, we support Sec. 308 of the Senate Water Resources Act, and urge the House to adopt similar language.

One final note on federal hydropower--as a customer of the Southwestern Power Administration, we support its need to maintain financial integrity. However, we are not in support of SWPA's 1990 Power Repayment Study which would result in a 17 percent rate increase. We would encourage a phased-in rate increase which would allow an accurate validation of SWPA's expenses--especially operation and maintenance expense. A gradual approach would also soften the rate impact on our rural consumers--who are already faced with numerous other economic problems. My written testimony includes additional details on this proposed rate increase.

In summary, I'd like to emphasize the importance of federal hydropower in helping rural communities survive. Anything that detracts from the hydroelectric operations of federal projects places a burden on our rural communities which are already faced with many economic hardships. Hydropower and recreation can co-exist successfully, but there is a large price to pay if we under-utilize the hydropower purpose of federal projects. We hope that the U.S. Congress and the Administration will maintain the integrity of the federal hydropower program; and perpetuate its original intent of supplying low-cost power to rural consumers who need it most.

Gentlemen, thank you for your time and your concern for rural Missouri.

aeci
associated electric cooperative, inc.

2814 S. Golden, P.O. Box 754
Springfield, Missouri 65801-0754
417-881-1204 FAX 417-885-9252

August 17, 1990

Mr. J. M. Schafer, Administrator
Southwestern Power Administration
U.S. Department of Energy
P.O. Box 1619
Tulsa, OK 74101

Dear Mr. Schafer:

In accordance with the Federal Register notice published May 23, 1990, we have enclosed ten copies of Associated's comments on the Proposed Integrated System Rates.

We would like to thank you and your staff for all your help during the preparation of this Power Repayment Study. If you have any questions, please call.

Sincerely,

Duane Highley

Duane Highley, P.E.
Senior Planning Engineer

jdm

Enclosures

cc: Southwest Power Resources Association
Federal Power Marketing Committee Members

COMMENTS FROM ASSOCIATED ELECTRIC COOPERATIVE, INC. REGARDING SWPA'S PROPOSED 17% RATE INCREASE

August 17, 1990

As a customer of SWPA, it is our desire that SWPA maintain financial integrity by meeting its debt repayment goals. We have reviewed the 1990 Power Repayment Study (PRS) which indicates the need for a 17% rate increase but we are unable to support this level of increase, mainly due to uncertainties in the O&M expense forecasts made and because of the adverse impact such an increase would have on our rural Missouri and southern Iowa customers. Instead, we support a phased rate increase which will not only allow more time for the O&M forecasts to prove themselves but will also mitigate the rate impact to our customers, while still maintaining an adequate level of repayment for SWPA. Our specific comments supporting this position follow:

1. Throughout the PRS review process we have been misled by referring to the proposed increase as a 14.4% revenue increase, while it is really a 17% rate increase. The true rate increase is indeed mitigated for some customers through the application of purchased power credits, but these credits are temporary in nature and do not apply to all of SWPA's customers. The ultimate effect of the proposed action will eventually be a 17% rate increase (and revenue increase) for all customers.

2. The proposed 17% rate increase would have a tremendous impact on Associated's customers. We provide service to some of the most economically depressed areas of the Midwest, covering most of rural Missouri and a part of southern Iowa. The proposal would result in an increased cost to Associated of $3.1 million per year, which would ultimately be passed along to the cooperative members across our service area. While no one can assess the actual impact of draining $3.1 million per year from an already economically depressed area,

our economic development staff has estimated a six-fold turnover of cash in a rural community. That is, a dollar spent in rural Missouri will turn over six times in commerce, creating additional jobs and increased tax revenues, before that dollar leaves the local economy. By depriving the cooperative customers in these areas of $3.1 million each year, we can only guess at an annual repercussion of $18.6 million in jobs, tax revenue, and the like. For this reason it is imperative that any increase needed by SWPA be fully justified and demonstrated to benefit today's customers who will be paying the bill.

3. Today's customers should not pay higher rates than are currently necessary simply to cover projected expenses which may occur in the mid-nineties. As SWPA's own studies indicate, only an 8% increase is now needed to cover expenses in FY-1990. The remaining increase is due to speculation about expenses (particularly O&M) beyond FY-1990. Today's customers should pay only what is needed to insure SWPA's financial integrity. To pay more, simply based on uncertain forecasts, is unjustifiable. Why should today's customers pay more to cover speculative costs which might be incurred for the benefit of future customers?

The RA-6120 document does not specify a particular cost evaluation period which must be used. Instead, it suggests that studies are normally done for five years. This does not preclude the use of a shorter period if special conditions, such as increased uncertainty in key O&M forecasts, cause a five-year period to produce unreliable and unrealistic results. In the 1987/1988 PRS, only a four-year evaluation period was used. Most utilities, including Associated, set their rates based on a one-year cost-of-service study, recognizing that long-range forecasts are extremely unreliable. Because of the magnitude of the increase and doubtful O&M forecasts, we recommend a phased rate based on a one-year evaluation period.

4. Another way that today's customers are forced to pay higher rates with no current benefits is through the use of the 50-year repayment period. In RA-6120.2, section 7.f.1, it is stated that SWPA should use "the same basic power system included at the time rates were approved" over the course of the PRS. However, beginning in the fifth year, SWPA freezes revenue and expenses through the 50th year of the study BUT DOES NOT FREEZE NEW INVESTMENT COSTS, which continue to increase each year. This drives today's rates higher to cover investment which will not occur for many years hence. Since today's customers receive no benefit from this speculative future investment, they should not be asked to pay higher rates to cover it.

   It could be argued that this practice is done to leave the power system in the same state it was in at the beginning of the study, however, this is not entirely true. The future power system, after many replacements with increased costs (through inflation), will have much more debt than today's system, with higher installed capital cost and annual depreciation. Future replacement costs should be borne by those who benefit from the replacement--the future customers. The effect of these future replacement costs should not be included in today's rates.

5. SWPA's O&M and GA&O expenses are responsible for about one-seventh of the 17% rate increase. This is primarily due to the increasing use of contractors for these services. This circumvents the DOE's attempt to limit SWPA activity and control costs by instituting a hiring freeze. Instead of lowering costs, as was intended, the action has resulted in increased costs as more and more work is performed by contractors, for their own profit and to the detriment of SWPA's customers.

   It is especially troublesome to customers to see SWPA office space devoted exclusively to in-house contractors for engineering services.

The only difference between a permanent in-house contractor and a full-time employee is the element of profit, which will benefit the contractor. Where is the benefit for SWPA customers?

It is difficult to believe that ever-increasing amounts of O&M and G&A are needed at a time when SWPA has no major system improvements planned. We fear that the use of contract labor will convert SWPA staff from a knowledgeable working staff into a staff of project managers, overseeing an expanding group of semi-permanent outside contractors.

6. In the PRS, SWPA continues to show an energy bank balance of 754,802 MWh each year beyond 1994. In the long run, with average hydrological conditions, it is assumed that energy into the bank will equal energy out of it. Therefore, SWPA should plan to draw the bank down to zero balance by FY-1995, at the end of the cost evaluation period. Assuming a modest energy value of only 11 mills/kWh, this would provide an additional $8.3 million of revenue to offset a portion of the rate increase needed.

   As purchase costs increase in the future, the value of energy in the bank will also increase, and this should be recognized in the PRS.

7. Most of the proposed 17% rate increase is based on forecasts of increasing Corps of Engineers' O&M expenses. Besides being the largest component of the proposed increase, it is the most difficult to justify. Because of our reluctance to accept the Corps' O&M forecast, we urge SWPA to adopt a phased rate, to allow time for a more thorough review of Corps costs. It may well prove that the remaining increases in later years would not be needed at all.

   Our primary objections to the Corps' O&M costs are in five areas:

A. Difficulty in making accurate forecasts of costs up to five years hence.

B. Conflicting statements made by COE officials.

C. Lack of adequate response of the Corps to SWPA customers' concerns.

D. Conclusions made by a subcommittee of the Southwest Power Resources Association regarding Corps O&M.

E. Inappropriate use of "age factors" in preparing the cost forecast.

F. Inclusion of extraordinary salary increases in the "trend line" for future O&M increases.

These objections are discussed in detail below.

7A. All planners recognize the difficulty in making accurate forecasts for the coming year's expenses. Forecasts beyond one year become more and more uncertain, as evidenced in past PRS projections. The accuracy of previous forecasts was investigated in order to estimate the accuracy of the current forecast. A comparison was made between the projected 1990 O&M expenses in the current PRS and those same 1990 expenses as forecast in the previous 1987/1988 PRS. While the total FY-1990 O&M expense is only 5% higher in the new PRS, significant changes can be seen in individual projects. Of the 22 projects listed, eight have significantly lower O&M projections in the new study than the old, 12 have increased significantly, and two have changed only slightly. Eight projects had differences in excess of 30% from the previous projection. This highlights the difficulty in predicting O&M expenses only two years hence. If SWPA cannot predict Corps O&M two years into the future, how can we have confidence in the proposed five-year forecast?

Looking at historical PRS projections, even for the first year of the cost evaluation period, further illustrates the difficulty in forecasting.

	Error in Projection of FY-1986 Costs in 1986 PRS	Error in Projection of FY-1988 Costs in 1988 PRS
Bull Shoals	-17%	-56%
Stockton	+48%	-12%

These projects are just two examples of the error inherent in every O&M forecast. The error in the current FY-1990 forecast will not be known until 1991. Because the proposed 17% rate increase is based largely on these uncertain O&M forecasts, we support phasing in the increase over several years, to allow time for these forecasts to prove themselves.

7B. We are also uneasy about the Corps' O&M forecast because of the conflicting statements recently made by Corps officials. First, we were given an O&M projection with record high costs and continuing increases above the inflation rate. Next, a Corps General made statements to SWPA indicating that the Corps plans to perform only breakdown maintenance, with no preventative maintenance program. This is a direct conflict to the record high O&M budget just developed. A letter sent to the Corps by SWPA requesting clarification of this issue has not been answered. We cannot support an SWPA rate increase which is driven almost entirely by Corps O&M if we cannot get clear signals from the Corps explaining the planned O&M program.

7C. The customers have been frustrated in their attempt to gain information about Corps expenses because of a lack of response by the Corps to their requests. In a letter containing 14 questions regarding Corps O&M expenses, only brief and inconclusive answers were given. A typical response was that the requested information was "probably available in the various district offices, but it would take considerable time and effort to find and compile the data."* If the customers cannot effectively review these expenses, they cannot support the record high projections made by the Corps.

7D. A subcommittee of the Southwestern Power Resources Association recently conducted a review of Corps O&M expenses, with the following conclusions:

1) For the 1983 to 1988 time period the Corps had determined that 43% of all identifiable costs had been misclassified between expense items and capital items. Steps have been taken to reclassify these costs, but no change has been made to the future O&M projections based on these findings.

2) "It is possible that cash settlements received by the Corps resulting from litigation related to faulty design and engineering of a hydropower facility are not credited to hydropower operations..."

3) "Financial, compliance, and management audits of hydropower operations are virtually non-existent."

4) "...it is apparent that hydropower does not assume a high degree of priority for accounting oversight or audit."

---

* Letter from W. O. Elliott to J. M. Shafer, February 26, 1990

5) "There has been a continuous frustration with the lack of oversight opportunity afforded for monitoring and evaluating Corps' operation, maintenance, and replacement costs...it is recommended that a plan of oversight be developed."

A copy of this study was provided to the Corps with a request for comments, but apparently the Corps has chosen to ignore the subcommittee's conclusions, since no response has been forthcoming.

Until SWPA customers can achieve effective oversight of Corps expenses, we cannot support the tremendous O&M increase which is driving the majority of the proposed SWPA rate increase.

7E. In making the future O&M projections, the Corps inappropriately applies an "age factor" to older plants which increases their O&M expense. After reviewing the baseline O&M expenses for each plant, an additional factor of 1% per year (compounded) is added for units over 20 years in age, and 2% per year (compounded) for units over 30 years of age. In the critical fifth year of the PRS, this added 5.1% and 10.4% to the baseline O&M for units over 20 and 30 years, respectively.

By the Corps own admission, "[t]hese percentages are entirely judgmental." No study has been performed by the Corps or SWPA to substantiate a higher rate of increase in O&M for older plants. In fact, there is evidence to suggest just the opposite.

1) It has been stated that baseline O&M expenses are predominantly due to salary at the projects. Why should we expect significantly higher salaries in the older projects?

2) If the baseline O&M is an accurate current estimate, we would expect any "age factor" to already be present, without the need for additional escalation.

3) A review of Corps O&M expenses for FY-1980 to 1989 reveals that, on both a $/kW and a $/kWh basis, O&M expenses have been increasing more rapidly at the newer (less than 20 years old) plants. Perhaps this higher level of O&M is caused by the need to correct problems in new and unproven designs, such as slant-axis turbine problems at the Ozark and Weber Falls projects. Alternately, this higher O&M could be caused by other "infant-mortality" problems, which would be expected to moderate after a period of time. With no new units coming on line, we would expect a decrease in overall O&M expenses as the problems in these newer units are corrected.

7F. Large salary increases were given to Corps power plant employees in 1983 (increases of 20% to 30%) and again in 1989 (increases of 17.9%). These large increases, far above the inflation rate, were necessary to bring Corps salaries up to "industry standards." Although these large increases are not expected to continue, they have influenced the historical trend line for O&M expenses. This effect should be removed from historical costs when comparisons are made to future costs. Since we do not expect these extraordinary salary increases to continue, future O&M expenses should increase more slowly than they did in the 1980s.

Because of this evidence, we cannot support the O&M forecast provided by the Corps to SWPA. Because the Corps' O&M increases are responsible for over 80% of the proposed SWPA rate increase, we believe any increase should be slowly phased in to allow more time for review of the O&M issue.

In summary, we do not support the proposed 17% rate increase, but instead request a phased approach, for the following reasons:

- o The deleterious effect on the economy of rural Missouri and southern Iowa would be lessened with a phased rate. If O&M forecasts did not prove themselves, the local economy could be maintained with minimum disruption.
- o Because it is impossible to forecast the future, less emphasis should be placed on long-range forecasts. A rate which will give SWPA adequate revenues in the short term is all that is necessary.
- o Many problems and uncertainties in the Corps' O&M forecasts cast serious doubt on its credibility. A phased-in rate increase would provide time for these forecasts to prove themselves.

DDH--8/17/90

Estimated Financial Benefits of Maintaining
REA Loan Ratio & Preference Power ($)

REA#	Distribution System	1990 NRECA Dues (1)	Additional Interest Expense of REA/Suppl. Ratios of: 50/50 (2)	0/100 (3)	Annual Benefit of Preference Power (4)	Total Benefit (3+4)
MO0012	PEMISCOT-DUNKLIN ELECTRIC CO-OP	4,560	6,686	23,400	496,044	519,444
MO0018	INTERCOUNTY ELEC CO-OP ASSN	16,239	67,269	235,440	2,802,204	3,037,644
MO0019	BOONE ELECTRIC COOPERATIVE	15,969	18,244	63,855	2,539,584	2,603,439
MO0020	MISSOURI REC	6,154	6,017	21,060	1,175,832	1,196,892
MO0022	HOWARD ELECTRIC CO-OP	2,034	2,584	9,045	225,756	234,801
MO0023	LEWIS COUNTY RECA	4,417	6,917	24,210	407,844	432,054
MO0024	CALLAWAY ELECTRIC CO-OP	6,270	10,067	35,235	884,160	919,395
MO0026	RALLS COUNTY ELECTRIC CO-OP	4,375	9,372	32,800	508,464	541,264
MO0027	NORTHWEST MISSOURI ELECTRIC CO-O	5,376	3,754	13,140	549,180	562,320
MO0028	BARTON COUNTY ELECTRIC CO-OP	3,647	19,185	33,521	166,824	200,345
MO0030	OZARK ELECTRIC CO-OP	12,860	25,830	90,405	683,244	773,649
MO0031	SCOTT-NEW MADRID-MISSISSIPPI EC	10,303	7,264	25,425	1,012,536	1,037,961
MO0032	ATCHISON-HOLT ELECTRIC CO-OP	3,347	4,963	17,370	356,688	374,058
MO0033	OZARK BORDER ELECTRIC CO-OP	17,710	35,151	123,030	2,025,100	2,148,130
MO0034	MACON ELECTRIC CO-OP	7,657	9,167	32,085	1,080,504	1,112,589
MO0035	TRI-COUNTY ELECTRIC CO-OP ASSN	4,891	12,060	42,210	587,916	630,126
MO0036	CONSOLIDATED ELECTRIC CO-OP	5,844	12,600	44,100	997,020	1,041,120
MO0037	OSAGE VALLEY ELEC CO-OP ASSN	8,865	18,784	65,745	492,588	558,333
MO0038	BLACK RIVER ELECTRIC CO-OP	15,172	19,299	67,545	1,585,296	1,652,841
MO0040	CENTRAL MISSOURI ELEC CO-OP	7,093	0	0	1,053,468	1,053,468
MO0041	PLATTE-CLAY ELECTRIC CO-OP	11,224	13,050	45,675	1,358,820	1,404,495
MO0042	FARMERS ELECTRIC CO-OP	10,305	0	0	1,311,820	1,311,820
MO0043	LACLEDE ELECTRIC CO-OP	15,914	17,061	59,715	2,875,644	2,935,359
MO0044	GRUNDY ELECTRIC CO-OP	5,209	4,500	15,750	611,460	627,210
MO0045	THREE RIVERS ELECTRIC CO-OP	11,974	11,134	38,970	1,881,180	1,920,150
MO0046	WHITE RIVER VALLEY ELEC CO-OP	17,202	92,379	323,325	1,320,192	1,643,517
MO0047	CO MO ELECTRIC COOPERATIVE	15,256	38,533	134,865	1,834,128	1,968,993
MO0048	NEW-MAC ELECTRIC CO-OP	9,475	28,941	101,295	389,304	490,599
MO0049	HOWELL-OREGON ELECTRIC CO-OP	10,942	53,320	186,619	1,676,448	1,863,067
MO0050	WEST CENTRAL ELECTRIC CO-OP	8,133	11,584	40,545	724,716	765,261
MO0051	NODAWAY-WORTH ELEC CO-OP	3,187	2,880	10,080	271,764	281,844
MO0053	SOUTHWEST ELECTRIC CO-OP	14,792	18,394	64,381	912,096	976,477
MO0054	CRAWFORD ELECTRIC CO-OP	10,189	21,986	76,950	1,346,040	1,422,990
MO0055	SAC-OSAGE ELECTRIC CO-OP	5,042	6,621	23,175	322,444	345,619
MO0056	N CENTRAL MISSOURI ELEC CO-OP	4,086	7,149	25,020	441,612	466,632
MO0057	CUIVRE RIVER ELECTRIC CO-OP	20,229	0	0	0	0

Estimated Financial Benefits of Maintaining REA Loan Ratio & Preference Power ($)

REA#	Distribution System	1990 NRECA Dues (1)	Additional Interest Expense of REA/Suppl. Ratios of: 50/50 (2)	0/100 (3)	Annual Benefit of Preference Power (4)	Total Benefit (3+4)
MO0058	CITIZENS ELECTRIC CORP	18,276	36,244	126,855	0	126,855
MO0066	WEBSTER ELECTRIC CO-OP	8,505	26,319	92,115	1,492,884	1,584,999
MO0067	SE-MA-NO ELECTRIC CO-OP	2,952	2,096	7,335	428,292	435,627
MO0068	GASCOSAGE ELECTRIC CO-OP	4,294	0	0	734,220	734,220
MO0069	BARRY ELECTRIC CO-OP	4,082	10,504	36,765	270,108	306,873
Missouri		373,971	697,988	2,409,056	39,763,440	42,172,496

Statement of Thomas Finnie
City Manager, Springfield, MO.

REMARKS FOR THE CONGRESSIONAL COMMITTEE

On behalf of the citizens of Springfield, the Mayor and City Council, I would like to express thanks to the committee for this opportunity to discuss our infrastructure requirements. Our department directors will speak to the specifics; my comments will be more on our overall concerns.

We have growing pains. We know as a growing community that there are projects that if built today, will save our citizens major dollars in future years. National Avenue needs to be extended today, not years from now when we will have to take homes and businesses at terrible cost to the taxpayer and the economic well-being to many businesses.

We need Federal support for projects that are your responsibility but are essential to our long-term vitality. We cannot build a four lane highway to Kansas City yet this is our number one need in serving Springfield citizens, Missouri citizens and this entire region. It is critical to our economic growth. We also spend too much energy coordinating our efforts with the State to have them frustrated by categorical funding limitations that often result in lower priority projects being built because of funding availability while higher priority projects go begging.

We need to correct some mistakes. We make the same number of mistakes as any business. The difference is that ours are most often well publicized since they are made out in the open in the proverbial "fish bowl". We also have to correct our mistakes in order to gain support for moving ahead. Unlike the private sector, we are not able to chalk up a mistake to the cost of doing business. Ingram Mill Road is an example of our inability to fund a project when it needed building years ago and which is now a million dollar problem.

We have to deal with the State and Federal government's desire to cut expenditures without cutting services. We are where the rubber meets the road. Our cuts mean less service and it doesn't take a long distance phone call or plane ticket to complain to those responsible. When the Federal government reduces transit funding, it does not necessarily reduce the impact of government cost on the public; it simply moves it to our level.

As is the case for many businesses, we often need to spend money in order to save or make money. For example, there may not be an overwhelming citizen outcry for a fiber optic system in Springfield. But if we don't move to ensure this technology, we may find ourselves so far behind the time in ten years as to be in the economic backwaters of the country.

We have a responsibility to protect our citizens and our environment. We need Regional, State and National policies and funding to address problems that are Regional, State and Federal in scope.

These are the issues we are coping with. You can help. When you pass legislation costing money, you should identify the cost and be willing to pay. You can quit tinkering with tax changes that claim to reduce taxes but simply move them down to us to levy. Most importantly, you can help us with those critical projects that are essential to our future well-being. I would put at the top of that list a four-lane road from Springfield to Kansas City and funding for stormwater management.

NEEDS ASSESSMENT PRESENTATION
FOR THE
CITY OF SPRINGFIELD, MISSOURI

AUGUST 31, 1990

Presented by: Mr. Charles R. Turner, P.E.
Acting Director of Public Works

Municipal managers, for any growing community, are continually evaluating the condition and capacity of the services they provide to their citizens.

Springfield is no exception. Both short and long range plans are continually being developed that reflect the most current needs of the City. The City's current Three-Year Plan for the Public Works Department shows four major priorities of service that need to be provided:

Priority #1 - Improved Street Maintenance Program
Priority #2 - Capital Improvements Program
Priority #3 - Traffic and Street Sign Maintenance and Maintenance of a Computerized Signal System
Priority #4 - Improved Tree Planting and Public Facilities Maintenance Program

Over 700 miles of streets, roads and alleys, over 800 miles of sanitary sewer line, 400 miles of sidewalk, 100 traffic signals, 50,000 traffic signs, 49 municipal buildings and over 18,000 public trees are presently maintained by the City of Springfield.

Increased maintenance cost, combined with an every expanding system, results in a reduced ability to properly maintain our roads, sidewalks and parks. As an example, since 1972 the number of lane miles of our streets has increased by 35% while at the same time the number of personnel available to maintain those streets has decreased by 5% and the amount of funds available for maintenance per mile has decreased by 26%. This has occurred at the same time that construction cost have increased 133%.

With these type of statistics, the City is faced with a future street system that will continue to deteriorate. The result will be a need for substantially more funds for the complete re-construction of these streets at a later date.

Some of the more critical street improvement needs facing Springfield today are Ingram Mill Road from Sunshine Street south to Battlefield Road, National Avenue from Route "M" to the South City Limits and Fremont Avenue from Battlefield Road to Route "M". The estimated construction cost of just these projects is $5.0 million dollars.

The demand for other city services continues to rise as the community grows. The need to provide additional sanitary sewers, stormwater protection facilities, fire stations and police protection is an ever present delimna faced by communities like Springfield.

These are not frivolous extras. These are basic public services that the public demands and deserves.

The growing awareness of problems associated with the current pollution entering our streams and water courses has now placed a greater emphasis on providing the community with a more comprehensive urban stormwater management program. This will be expensive. Combining the water quality needs, with the flood control needs will require detailed comprehensive evaluations be done on each of the City's major drainage basins. The cost of just these evaluations for Springfield will be over $2.0 million dollars.

It is less costly for the community to plan and prepare for addressing these issues before development occurs. The purchasing of proper drainageways prior to houses and businesses being constructed lessens the economical impact on the community by not having to purchase those houses and businesses in the future to correct a drainage problem.

Solid waste management is another area that is receiving greater public attentionacross the nation, and rightfully so. Residents of our City expect and deserve to have a solid waste disposal system that does not result in an increase of the potential for polluting our water supplies and wholesale usage of the land. The City of Springfield has been investigating alternatives to landfilling for several years and are now considering presenting a $37 million dollar bond issue to the voters to provide such a system.

The City has recently prepared a list of over 70 major Public Works projects that should be constructed. At this time this list represents only a recognition of problems areas that need to be fixed if the funds can be secured. Six to ten million dollars a year are desparately needed to provide the City of Springfield with an adequate capital improvements program. These costs will continue to escalate if inadequate maintenance and planning continue. Without additional funding sources, the ability to provide the necessary maintenance and planning will be difficult if not impossible.

Thank you for your time and consideration of these comments.

CITY UTILITIES of SPRINGFIELD
301 E. Central P.O. Box 551 Springfield, Missouri 65801 (417) 831-8311

Statement by
Duane Galloway, Assistant to General Manager
CITY UTILITIES OF SPRINGFIELD
before a regional hearing on
The Future of Our Nation's Infrastructure Needs
THE FULL COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
of the
UNITED STATES HOUSE OF REPRESENTATIVES
Springfield, Missouri
August 31, 1990

Good morning Mr. Chairman and members of the Committee, my name is Duane Galloway. I am an Assistant to the General Manager of City Utilities. City Utilities is a municipal utility with the responsibility of supplying the electric, natural gas, water and public transportation needs of Springfield, Missouri and the immediate surrounding area. We currently have approximately 75,000 electric customers, 63,000 natural gas customers, and 57,000 water customers. City Utilities is controlled by, and under the direction of, an eleven-member citizens committee - the Board of Public Utilities - which is appointed by the City Council.

City Utilities has a formalized long-range strategic planning process which identifies the infrastructure needs of the Utility for at least 10 years into the future. Significant major capital projects will be needed if the Utility is to continue to meet its duty to the Springfield community.

WATER PROJECTS

Burns & McDonnell, a nationally known engineering consulting firm, recently completed a study to identify a long-term water supply to meet the needs of Springfield for the next 50 years. Over a dozen possible options were evaluated. Public hearings have been held this week to gather public comment on the project recommended by the consultant. The Board of Public Utilities plans to make a final decision within 60 days. The project will cost an estimated $80 million. The Water Utility has annual revenues of approximately $15 million.

It is anticipated the project will be built by City Utilities without any Federal or State assistance using traditional tax exempt revenue bonds. While the project will be financially challenging given the limited local revenues available, it is possible for a community the size of Springfield with a municipal utility as financially sound as City Utilities. Such is probably not the case for many smaller communities, even in areas such as the Ozarks where water is considered to be plentiful.

All across the Nation, communities of all sizes are faced with repairing and replacing worn-out water systems and with finding new water sources to meet increasing demands. This is occurring at a time when Federal mandates are requiring even more stringent water quality standards, and when restrictions are being placed on the traditional financing methods used by municipalities to fund these types of projects.

City Utilities has a history of, and a reputation for, furnishing our customer-owners with high quality, dependable drinking water. We have a certified laboratory, managed by a PhD, and staffed with eleven professionals. We typically do much more water quality testing than is required and supply a finished product that far exceeds all regulatory standards. We understand the need for increasing the requirements on water quality and do not object to meeting reasonable new standards. What we do object to is costly new mandated requirements with no federal assistance, coupled with a reduction in our traditional funding mechanisms.

In all honesty, Springfield has the ability to meet our forecasted water needs. Our customers paid less for their utility services last year than they did eight years ago. If the need truly exists, there is every reason to believe that they will be willing and able to pay for future projects. Many smaller and less prosperous communities will not be able to meet their needs without some form of federal and state partnership. Strong public policy arguments supported massive federal aid in the form of grants and loans for sewer projects. Given the enormous need and the apparent lack of ability to fund those needs, we would argue that the Committee should look at increased funding of water projects as one element of meeting the Nation's infrastructure needs.

POWER SUPPLY

City Utilities, as a public power system, is owned by the local community we serve. Our rates and policies are set by a governing Board appointed by a locally elected City Council. Public power systems differ from "investor-owned utilities" (IOUs) in that publicly-owned systems are non-profit organizations operated by and for the local community, while investor-owned systems are owned by private stockholders and provide electricity for a profit. Public power systems have existed since the earliest days of electric utilities in this Country. As long as tax-exempt municipal bonds have existed, publicly-owned power systems have been issuing them to finance their capital needs.

There are 1,982 publicly-owned local electric systems in the United States, and 63 publicly-owned joint action agencies. Joint action agencies are organizations formed by several public power systems, acting in concert, to plan, build, and operate efficiently-sized power plants and other facilities and to coordinate power contracts to meet the needs of their member systems. Through economies of scale, these joint action agencies have enabled public power systems in small communities to provide electric service at reasonable rates that would not otherwise be possible.

Small public power systems are not uncommon. In fact, while City Utilities is a comparatively large public power system, the bulk of public power systems are small with 75 percent serving communities under 10,000 people. The median size public power system serves 1,696 customers.

While the reasons for creating public power systems vary, the benefits they offer are generally the same. Unlike IOU's, public power systems serve only one master - their customer-owner. On average, residential rates for customers of local public power systems are 23 percent below those charged by investor-owned utilities.

Because they are consumer-owned, public power systems offer the consumer a direct voice in the establishment of service policies and rate structures, as well as a voice in the design and siting of utility facilities. In addition, because they are publicly-owned and accountable to their locally elected governments, local officials can integrate utility operations with other local government services. As an example, the Board of Public Utilities manages the public power electric system, the municipal natural gas system, the municipal water system, and as part of a local governmental service, the electric and natural gas utilities help subsidize the public transportation system.

City Utilities' electric system, an important part of Springfield's local governmental capital-intensive infrastructure system, is heavily dependant on the use of tax-exempt financing in building needed new power generation and replacing existing power generation. If tax-exempt bonds are to be allowed to exist, and we certainly would argue that they should, we believe public power and all such traditional governmentally-owned operations should be able to access the tax-exempt bond market in a reasonable manner.

TRANSIT

City Utilities operates a public bus transportation system providing fixed-route service and demand-responsive service to Springfield, Missouri. We carry about 1.4 million passengers per year, of which over 40 percent are elderly and handicapped. Demand-responsive service, which is curb-to-curb service utilizing wheelchair lift-equipped buses, carries about 18,000 passengers per year.

Revenues from passengers recover only 13 percent of operating expenses for the transit system, and City Utilities is dependent upon Federal assistance in order to continue providing low-cost transportation service to Springfield. This year City Utilities received $779,000 in operating assistance from the Urban Mass Transportation Administration, but the remainder of the operating deficit (about $2.3 million) was collected from the electric and natural gas ratepayers.

Recent legislation, such as the Americans with Disabilities Act of 1990 and more stringent air quality regulations, increase both City Utilities' capital investment in new motor buses and its operating expenses. Without increased Federal assistance, this will translate into reduced service at a time when mass transportation should be assuming a greater role in meeting the Nation's economic, environmental, and social goals.

In your review, we recommend giving consideration to the American Public Transit Association's eleven "Principles to Guide Reauthorization of the Surface Transportation Assistance Act." These principles are attached.

PRINCIPLES

TO GUIDE REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT-1991

Adopted by The
APTA Board of Directors
September 24, 1989

Attached are eleven statements of principle adopted by the APTA Executive Committee and Board of Directors. The principles are based on deliberations of the APTA Legislative Committee, Subcommittee on Strategic Planning and the Transit 2000 Task Force.

PRINCIPLES

TO GUIDE REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT

Preamble

The following principles are proposed as a guide in reformulating federal transit and highway programs. The principles are intended for application in conjunction with increases in federal funding for transit, including funding adequate to meet current and future transit needs and the cost of federal mandates. The principles presume continued federal support at least at current levels for existing programs and projects.

DRAFT PRINCIPLES

PRINCIPLE 1

THE FEDERAL INVESTMENT IN SURFACE TRANSPORTATION SHOULD BE SUBSTANTIALLY INCREASED AND, WITH THESE INCREASES, PARTS OF THE FEDERAL PROGRAM SHOULD BE SUBSTANTIALLY RESTRUCTURED.

Rationale: The current highway and transit programs are not adequately responsive or flexible to address current and emerging needs and problems. Substantial restructuring can only occur if significant additional resources are provided.

PRINCIPLE 2

IN ORDER TO ACCOMMODATE A DIVERSITY OF PASSENGER TRAVEL WHILE REDUCING VEHICLE-MILES, THE DEFINITION OF TRANSIT AND THE UMTA CHARTER SHOULD BE BROADENED TO ENCOMPASS AND PROMOTE INCREASED AVAILABILITY AND USE OF HIGH-OCCUPANCY, SHARED-RIDE SERVICES.

Rationale: Provides a clear statement of UMTA's goals. Invites a closer linkage between mobility goals and broader national goals. Broadens the transit constituency. Promotes investment in new mobility strategies and a broader range of services. Promotes reconsideration of current eligibility restrictions.

PRINCIPLE 3

ALLOW GREATER FLEXIBILITY IN THE USE OF AVAILABLE FEDERAL FUNDS; ENHANCE AND STRENGTHEN THE EXISTING REGIONAL DECISION-MAKING AUTHORITY OVER THE USE OF FEDERAL TRANSPORTATION FUNDS.

Rationale: Strengthen local ability to address needs, set priorities and use resources for capital and operating needs in a regional context. Strengthen local decision making processes. Reduce federal program management and administrative requirements that unnecessarily dictate local actions.

PRINCIPLE 4

ESTABLISH A STRONGER MULTI MODEL APPROACH IN PLANNING, FUNDING AND DECISION-MAKING.

Rationale: Better integration of transportation decisions, funding and services. Greater assurance of appropriate trade-offs between multiple goals and objectives on the local and regional level. Encourage more cost-effective use of available funds.

PRINCIPLE 5

RELIABILITY AND PREDICTABILITY OF FEDERAL FUNDING MUST BE IMPROVED THROUGH GREATER RELIANCE ON DEDICATED FUNDING. THE COST ASSOCIATED WITH MANDATED FEDERAL ACTIONS, AND THE SUBSTANTIAL CONTRIBUTION OF TRANSIT TO THE ACHIEVEMENT OF OTHER NATIONAL GOALS PROVIDES JUSTIFICATION FOR INCREASED FEDERAL SUPPORT FROM ALL SOURCES.

Rationale: Increase reliability and predictability of funding in light of uncertainties in the general fund annual budget and appropriation process.

Recognize and support the important, legitimate contributions of transit to a host of national goals, using those contributions as a fundamental rationale for continued general fund support of transit. Limit the jeopardy to transit from annual budget and appropriations cycles. Attract new constituents in support of transit. Strengthen support for increased transit investment.

PRINCIPLE 6

INCREASE RELIANCE ON RELIABLE AND PREDICTABLE FORMULA FUNDING USING FACTORS BETTER REFLECTING TRANSIT NEEDS.

Rationale: Increase the reliability and predictability of funding to all recipients. Ensure discretionary funding priority for transit projects that cannot be accommodated within the formula program. Refocus new discretionary funds on achievement of national goals and issues of national significance, e.g. safety congestion, air quality, energy conservation, economic development, service to the transportation disadvantaged.

PRINCIPLE 7

SUBSTANTIAL ADDITIONAL FUNDING SHOULD BE PROVIDED FOR TRANSIT TO FULLY CARRY OUT THE NATIONAL GOAL OF SIGNIFICANTLY INCREASING THE PROVISION AND USE OF HIGH-OCCUPANCY, SHARED-RIDE SERVICES.

Rationale: Federal transit funding has been reduced 50% in the last 8 years in real terms. All indications are that historic disinvestment in transportation, the current condition of facilities and future demand require at least a doubling of total investment to be shared by all partners. $6-8 billion per year in federal transit investment is needed to support basic reinvestment, projects currently in the advanced stages of planning and commitment and to recover recent reductions and lost purchasing power. Substantial additional federal funds beyond this level are needed to accommodate additional riders and market share, reduce vehicle-miles of travel and attract major new funding commitments from non-federal sources.

PRINCIPLE 8

AN IMMEDIATE GAS TAX/MOTOR FUELS TAX INCREASE SHOULD BE ENACTED AND THE ENTIRE FEDERAL TAX MADE PERMANENT CONCURRENT WITH REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT TO SUPPORT NEEDED TRANSIT AND HIGHWAY INVESTMENT.

Rationale: Needs are immediate. The traditional source of transportation funding should continue to be the basic resource for increased investment. Claims will be made by others on gas tax increases with action on tax increases, including a gas tax, will likely take place sooner rather than later.

PRINCIPLE 9

THE FEDERAL TRANSPORTATION PROGRAM AND TAX CODE SHOULD BE REVISED TO PROMOTE PRIVATE AND NON-FEDERAL INVESTMENT IN TRANSIT, AND TO ELIMINATE THE TAXATION OF EMPLOYER-SUBSIDIZED TRANSIT PASSES AND OTHER DISINCENTIVES TO TRANSIT USE.

Rationale: Other federal policies should support direct investment in and use of transit rather than frustrate the goals that transit investment seeks to serve.

PRINCIPLE 10

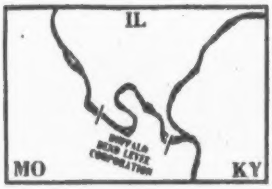
FEDERAL TRANSPORTATION POLICIES AND PROGRAMS SHOULD REQUIRE CLOSER INTEGRATION OF TRANSPORTATION INVESTMENTS AND LAND USE DECISIONS IN ORDER TO PROVIDE AN ENVIRONMENT THAT IS CONDUCIVE TO AND ENCOURAGES INCREASED PROVISION AND USE OF HIGH-OCCUPANCY, SHARED-RIDE SERVICES. OTHER FEDERAL POLICIES AFFECTING TRANSPORTATION DEMAND, PLANNING AND INVESTMENT SHOULD INCORPORATE THE SAME OBJECTIVE.

Rationale: Unless development practices and policies at the local level are consistent with basic federal transportation goals, the effectiveness of federal transportation investment will be greatly diminished along with the opportunity to advance other national goals. Federal attention to how land uses and development are arrayed across the landscape is necessary in reinforcing this essential linkage.

PRINCIPLE 11

EXPAND FEDERAL SUPPORT FOR BASIC RESEARCH, DEVELOPMENT, TRAINING AND HUMAN RESOURCES ACTIVITIES AFFECTING TRANSIT, AND ENSURE ADEQUATE DIRECTION OF THE PROGRAM BY TRANSIT INDUSTRY OFFICIALS.

Rationale: Federal investment in basic research, development and human resources have diminished dramatically in recent years. The success and cost-effectiveness of investment in facilities and services requires significant increases in funding in these areas.



BUFFALO BEND
LEVEE CORPORATION

POST OFFICE BOX 322 • CHARLESTON, MISSOURI 63834

31 Aug 1990

Statement of Lester W. Goodin, President
Buffalo Bend Levee Association
Charleston, Missouri

House Public Works and Transportation Committee Field Hearing
Springfield, Missouri

Gentlemen:

I have a most urgent problem. You are examining our nation's future infrastructure needs, yet I come from and represent an area that is specifically and by definition excluded from any consideration for infrastructure inprovement. I am from the the Mississippi Delta area of Missouri, and I am speaking for the entire Delta area, from Commerce, Missouri, to the Head of Passes below New Orleans.

May I direct your attention to Section 15 of HR 5314 entitled "The Water Resources Development Act of 1990." Section 15 deals with Flood Plain Management; paragraphs (a) through (d) of that section deal with benefit/cost analysis criteria, cost sharing, regulations, and appricibility. To summarize this bill's specific instructions: NO area within the "100-Year Flood Plain" may be included "in the benefit base for justifying Federal flood damage reduction projects."

Gentlemen, this means that virtually the entire Mississippi Delta is effectively and forever excluded from further development of its infrastructure, since virtually the entire Delta is, using current FEMA criteria, within the "100-Year Flood Plain." The Delta is, and has been for more than 150 years, highly developed land, in large part (but by no means exclusively) agricultural. For the economic and social development of its people, for the enhancement of its environmental quality, it MUST participate in the development of infrastructure. It needs not just major highway maintenance and improvement, but better secondary or feeder roads, ports to take advantage of its wonderfully efficient transport system -- the Mississippi River itself -- drainage and erosion control projects, water quality monitoring and control, areas for wildlife, wilderness areas.

Yet if House Resolution 5314 becomes law such projects will be impossible to justify almost anywhere in the Delta.

A Private Levee District In Scott & Mississippi Counties In Missouri & Alexander County In Illinois

From Mile 4 To Mile 30 On The Mississippi River Above Cairo

House Resolution 5314 has been reported out of committee and is to go before the full House. Section 15 is a critical flaw. I urge you to recall the bill for consideration of that section.

Sincerely,

Buffalo Bend Levee Association

Lester W. Goodin, President

TESTIMONY OF
ROBERT D. HANCIK, A.A.E.
DIRECTOR OF AVIATION
SPRINGFIELD REGIONAL AIRPORT
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
FIELD HEARING
AUGUST 31, 1990
DRURY COLLEGE
SPRINGFIELD, MISSOURI

Good morning, Mr. Chairman and members of the Committee. I am Robert Hancik, Director of Aviation of the Springfield Regional Airport; President, Great Lakes Chapter, American Association of Airport Executives; and we are also a member of AOCI. On behalf of the City of Springfield Airport Board, the AAAE and AOCI, we express our appreciation for the bold and aggressive leadership the Public Works Committee has shown to date on airport issues; in particular, yourself, Mr. Chairman, our neighbor to the south, Mr. Hammerschmidt, Mr. Clinger, and of course, Mr. Hancock.

You are continually listening to the testimony of the heavy hitters; however, through representatives like Mr. Hancock, we have had the opportunity to provide input from the smaller airport operators. I wish to briefly express my views relative to the issues you have successfully addressed on their effects on southwest Missouri and many airports like Springfield.

Each of your successes, reauthorization of AIP, encompassing the most important Passenger Facility Charge (PFC), tenant liability language, and fending off the Alamo issue, effect a Springfield, Missouri, as it would a major hub airport, but proportionately with a greater financial impact.

The capital needs of the Springfield Regional Airport, which services not only Springfield, but southwest Missouri and northern Arkansas, are obviously beyond the financial capabilities of this community when weighed against the City's general infrastructure needs of sewers, storm drainage, streets, solid waste disposal, operational dollars, etc. We are in the final stages of our Master Plan Study. Our preliminary capital costs, which we are revealing this morning, are estimated at $56.8 million over the next twenty years, and are further detailed on the attachment to this written testimony. $27 million in infrastructure in the next five years, $18 million identified as being eligible under the current federal AIP program.

We recognize the financial restraints of FAA facility improvements for operations and safety. However, our growth, with approximately 100 airline operations a day, need to be recognized in the authorization process, but not by place-naming projects in the appropriation, but decisions made on operational data and safety standards.

Gentlemen, we serve a truly regional area. This region is faced with growth beyond its infrastructure capabilities, not only in the tradition of business and industry, but by the demonstrated growth in the medical field, retirement and tourism.

The intent of the aviation trust fund has been eroded and continually raided over the years. It has been used as a political pawn at the expense of the air traveler. Changes to the current AIP program and its predecessors have only put "patches on an exploding inner tube." It is time to start rethinking how the estimated $50 billion in airport capital improvement needs of our nation's airports will be funded in the next five years. Yes, I believe in the current trend and apply the philosophy that the users should pay for the system. However, we must temper that philosophy by the country's interest and investment in maintaining and building a national air transportation system second to none. We all benefit from the air transportation of people and goods, indirectly or directly, whether one ever flies in an airplane, be it via the airlines or the corporate and general aviation fleet.

Again, I state it is time to rethink the funding of this country's airport infrastructure. The PFC is an obvious element in that equation, for which I applaud your foresight and hope the Senate eventually agrees. It must be noted those small airports that feed a hub dominated by one air carrier have extremely high air fares and the impact of an additional twelve dollars to a ticket must be measured by the spoke airport on diverting the passenger to the automobile. The current funding percentages of the AIP program offer little discretionary dollars and decision-making capabilities on projects that need to be done. The protection of unspent airport entitlement as a debit against the current year's appropriation needs to be eliminated. If an airport doesn't have a project, let's not bank the dollars, but get them into the system.

Unfortunately, my time is limited. We hope our past input through the aviation subcommittee via Mr. Hancock, has been beneficial and that of our representative organizations. I welcome any questions and offer our continuing support.

Thank you.

DRAFT

Table G1

PHASE I (0-5 YEARS) DEVELOPMENT PLAN PROJECT COSTS

Springfield Regional Airport

	Project Description	Total Cost	Recommended Financing Method Local	State	Federal
A.1	Land Acquisition (820 Acres)	$2,050,000.00	$205,000.00		$1,845,000.00
A.2	Renovate/Expand Passenger Terminal and a Portion of the Air Carrier Apron *	$10,600,000.00	$5,900,000.00		$4,700,000.00
A.3	Remove Large Hangars North of Terminal and Expand Apron	$303,000.00	$30,300.00		$272,700.00
A.4	Construct New Fuel Facilities	$1,647,000.00	$1,647,000.00		
A.5	Construct Snow Equipment Building	$1,100,000.00	$110,000.00		$990,000.00
A.6	Extend and Renovate Runway 14/32 Along With Parallel and Connecting Taxiway System with Lights and PAPI	$5,960,000.00	$596,000.00		$5,364,000.00
A.7	Install Runway 14 CAT I Approach	FAA Funded			
A.8	Construct G.A. Apron and Taxiways	$872,000.00	$43,600.00	$43,600.00	$784,800.00
A.9	Construct Partial Parallel Taxiway on the West Side of Runway 02/20	$2,812,000.00	$281,200.00		$2,530,800.00
A.10	Construct Security Fencing	$328,000.00	$32,800.00		$295,200.00
A.11	Construct Perimeter Road	$805,000.00	$80,500.00		$724,500.00
A.12	Rehabilitate Air Carrier Apron	$320,000.00	$32,000.00		$288,000.00
A.13	Rehabilitate General Aviation Apron	$125,000.00	$6,250.00	$6,250.00	$112,500.00
A.14	Relocate Taxiway "T"	$75,000.00	$7,500.00		$67,500.00
	Sub-Total/Phase I	$26,997,000.00	$8,972,150.00	$49,850.00	$17,975,000.00

* Local Share Subject to Revenue Bond or Private Financing.

Note: Costs are intended for planning purposes only and should not be used for construction cost estimates.

DRAFT

Table G2

PHASE II (5-10 YEARS) DEVELOPMENT PLAN PROJECT COSTS

Springfield Regional Airport

		Total	Recommended Financing Method		
	Project Description	Cost	Local	State	Federal
B.1	Rehabilitate Runway 02/20 Including Parallel and Connecting Taxiway System	$1,434,000.00	$143,400.00		$1,290,600.00
B.2	Construct Runway 02L/20R 4,200' x 60' With MIRL, PAPI and REIL	$2,370,000.00	$237,000.00		$2,133,000.00
B.3	Improve/Expand Terminal Access Roadway System	$43,000.00	$43,000.00		
B.4	Expand Passenger Terminal Auto Parking *	$130,000.00	$130,000.00		
B.5	Expand Air Carrier Apron	$747,000.00	$74,700.00		$672,300.00
B.6	Expand Air Cargo Apron	$163,000.00	$16,300.00		$146,700.00
B.7	Construct General Aviation Apron and Taxiways	$396,000.00	$19,800.00	$19,800.00	$356,400.00
B.8	Expand Fuel Storage Facilities	$120,000.00	$120,000.00		
B.9	Add Connecting Taxiway East Side of Runway 02/20	$260,000.00	$26,000.00		$234,000.00
B.10	Expand Airline Maintenance Facility Apron	$363,000.00	$36,300.00		$326,700.00
B.11	Construct Security Fencing	$211,000.00	$21,100.00		$189,900.00
B.12	Construct Perimeter Road	$323,000.00	$32,300.00		$290,700.00
	Sub-Total/Phase II	$6,560,000.00	$899,900.00	$19,800.00	$5,640,300.00

* Local Share Subject to Revenue Bond or Private Financing.

Note: Costs are intended for planning purposes only and should not be used for construction cost estimates.

DRAFT

Table G3

PHASE III (10-20 YEARS) DEVELOPMENT PLAN PROJECT COSTS

Springfield Regional Airport

		Total	Recommended Financing Method		
	Project Description	**Cost**	**Local**	**State**	**Federal**
C.1	Expand Runway 02/20 and Parallel Taxiway with Lights and PAPI	$1,781,000.00	$178,100.00		$1,602,900.00
C.2	Install Runway 02 CAT II Approach	FAA Funded			
C.3	Expand Passenger Terminal *	$1,600,000.00	$1,600,000.00		
C.4	Relocate ARFF Facility	$400,000.00	$40,000.00		$360,000.00
C.5	Improve/Expand Terminal Access Roadway System	$60,000.00	$60,000.00		
C.6	Expand Passenger Terminal Auto Parking *	$222,000.00	$222,000.00		
C.7	Expand Air Cargo Apron	$126,000.00	$12,600.00		$113,400.00
C.8	Construct General Aviation Apron and Taxiways	$780,000.00	$39,000.00	$39,000.00	$702,000.00
C.9	Expand Fuel Storage Facilities	$120,000.00	$120,000.00		
C.10	Construct Security Fencing	$526,000.00	$52,600.00		$473,400.00
C.11	Construct Perimeter Road	$724,000.00	$72,400.00		$651,600.00
C.12	Construct Runway 02L/20R 10,000' x 150' with Parallel Taxiway, Lights and PAPI	$16,955,000.00	$1,695,500.00		$15,259,500.00
C.13	Install CAT I Approach Runways 02L and 20R	FAA Funded			
	Sub-Total/Phase III	$23,294,000.00	$4,092,200.00	$39,000.00	$19,162,800.00
	GRAND TOTAL **	$56,851,000.00	$13,964,250.00	$108,650.00	$42,778,100.00

* Local Share Subject to Revenue Bond or Private Financing.

** $7,852,000 of the Total Local Share is Subject to Revenue Bond or Private Financing.

Note: Costs are intended for planning purposes only and should not be used for construction cost estimates.

August 29, 1990

Chairman Anderson, Members of the Committee, Ladies and Gentlemen:

My name is Peter Herschend. I am Executive Vice President and co-owner of Silver Dollar City, a theme park located here in Southwest Missouri, with annual visitation of 1,750,000 visitors. I am also President of the Ozark Marketing Council, a regional marketing organization to develop the travel industry here in Southwest Missouri. In addition I am President of the Travel Federation of Missouri.

Some individuals have from time to time observed that the travel industry is a frivolous industry...one that we could easily do away with, or certainly reduce if the times required it. I would argue that you should not tell that to the 20,000+ men and women who are actively employed in the first line of Southwest Missouri's travel industry. I would argue that you should not tell that to the financial community that has made outstanding loans to the travel industry. I think you should not tell that to the retail community here in Southwest Missouri, who benefits in large measure from the expenditures made by visitors to this region in excess of $1,000,000,000 annually. In other words, in Southwest Missouri, the travel industry in all of its various forms is a very significant part of the economy, of the job picture, of the long-term growth of this region.

Today, in Missouri the SIC codes (Standard Industrial Classification) that are inclusive of travel, as generally defined, are the only segment of Missouri's economy that is showing consistent and significant growth over the period of the last several years.

Employment in agriculture has declined. Employment in manufacturing is running essentially flat. The travel industry has grown. I have included those numbers and their sourcing as an addendum to these comments.

Nowhere in Missouri is this more true than here in Southwest Missouri. We have seen a time of rapid growth in visitation by others coming into the state to see and enjoy Ozark Mountain Country. We continue to see that trend in the future. The charts at the back of these comments will reflect for you the rapid growth in physical plant that Ozark Mountain Country has seen in the period 1982 through 1990. These facilities, such as restaurant seating capacity, campground spaces, theatre seats, and accommodations would not have grown were there not a significant demand for them.

However, all is not roses. We have a real potential of slow strangulation of our industry. The ability of the major highway infrastructure system leading into Southwest Missouri as well as serving inside Southwest Missouri is falling behind in its ability to handle the ever increasing number of vehicles/visitors that wish to move in this direction for recreation purposes.

I am sure that each of the Committee members, Mr. Chairman, is familiar with the great joy of riding on an interstate highway that is coming apart at the seams. I am sure, Mr. Chairman, that you and each member of this Commission have had the unending pleasure of being held up in traffic when you did not anticipate the holdup.

I am sure, Mr. Chairman, that you and each member of this Committee have made travel decisions to go to one area versus another, because you felt or knew that the travel capacities of the first area were going to be taxed, and your ability to move within that area was going to be extremely limited.

Mr. Chairman, the solution is never easy to complex issues like this. I do not purport to have the wisdom of the Committee nor the breadth of information that is being laid before you.

I am, and our travel industry in Missouri is a strong advocate of the federal government's release of the Highway Trust Funds back to the states on an equitable basis insuring that those Funds get spent for the purpose that they were intended...to rebuild and expand, where appropriate, the highway/transportation infrastructure of this nation.

Cast in a negative light, if we do not see the capacities of the interstate system, as well as the primary and secondary highway systems of Southwest Missouri maintained and increased, then speculation of economic strangulation will no longer be speculation. We will see a curtailment, and then an absolute decline in the number of visitors coming to this area.

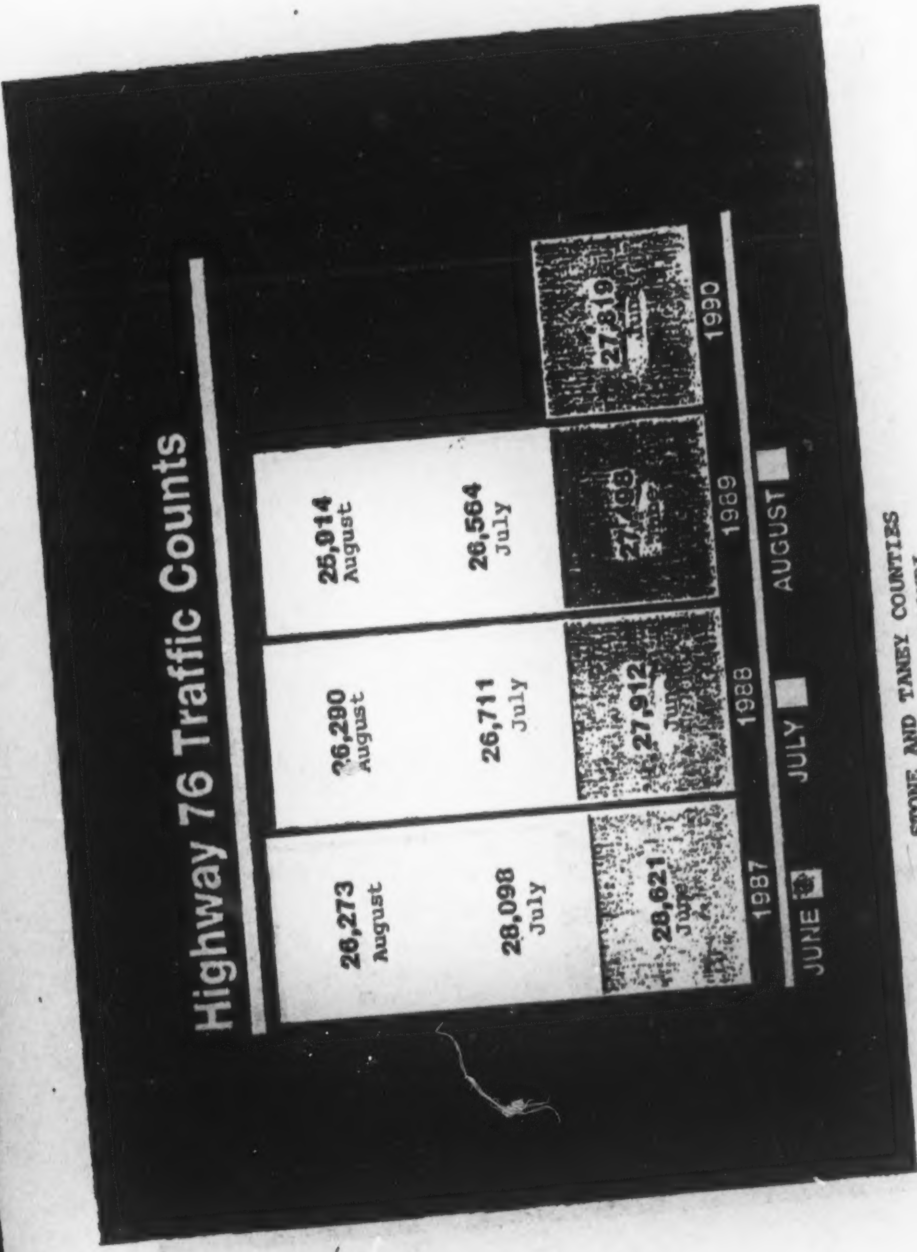
I can draw a graph for you that will coorelate the number of visitors to the number of persons employed. Those are strong negatives, and impact the lives of thousands of people...but they do not have to be.

I hope and pray that through the work of this hearing and other community hearings that you and the members of the Committee are undertaking throughout this nation, we will be able to see the federal government's release of the Highway Funds. We will be able to see the opening of the vital arteries of traffic, not just in Southwest Missouri, but throughout this nation so that the highway systems become the primary support of economic development and are not regarded as the inhibitors of that development.

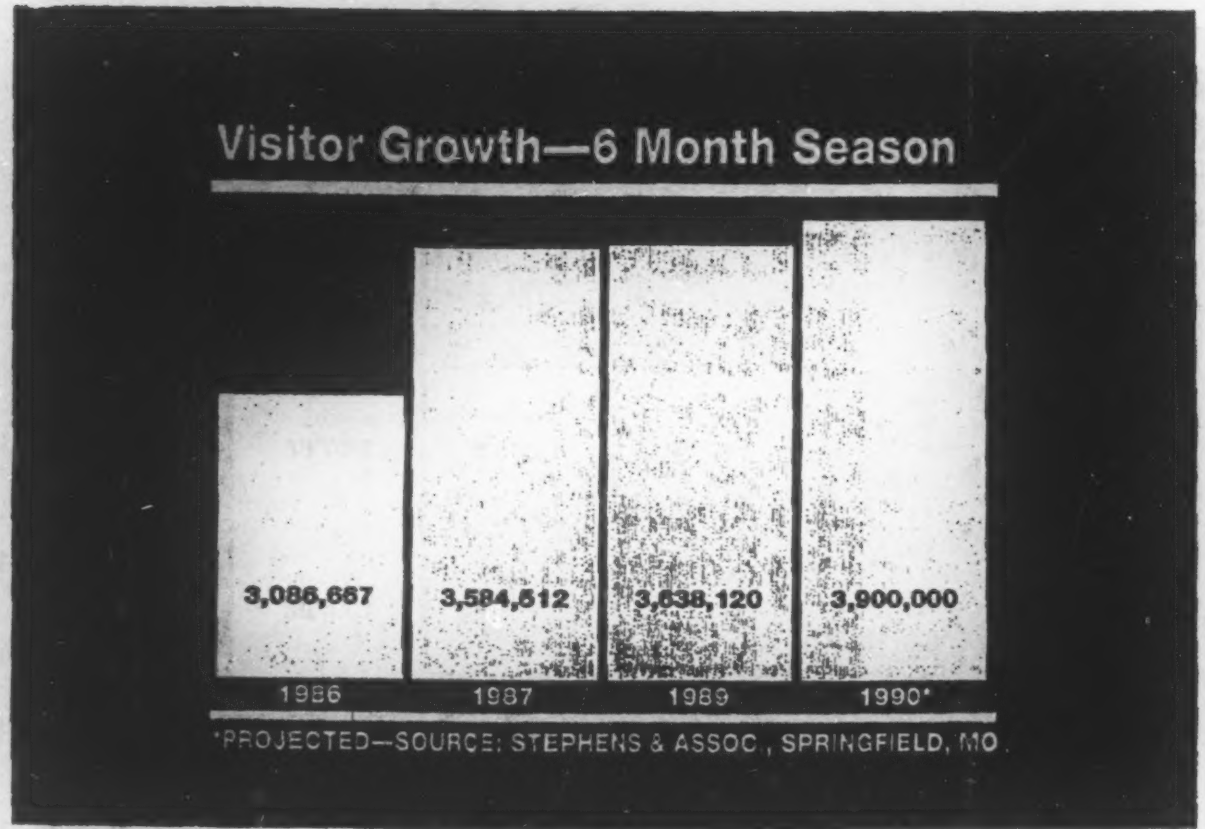
Mr. Chairman, my thanks for this opportunity. I stand ready to be of whatever assistance I can at this time or in the future.

Respectfully,

Peter F. Herschend
Executive Vice President
Silver Dollar City, Inc.



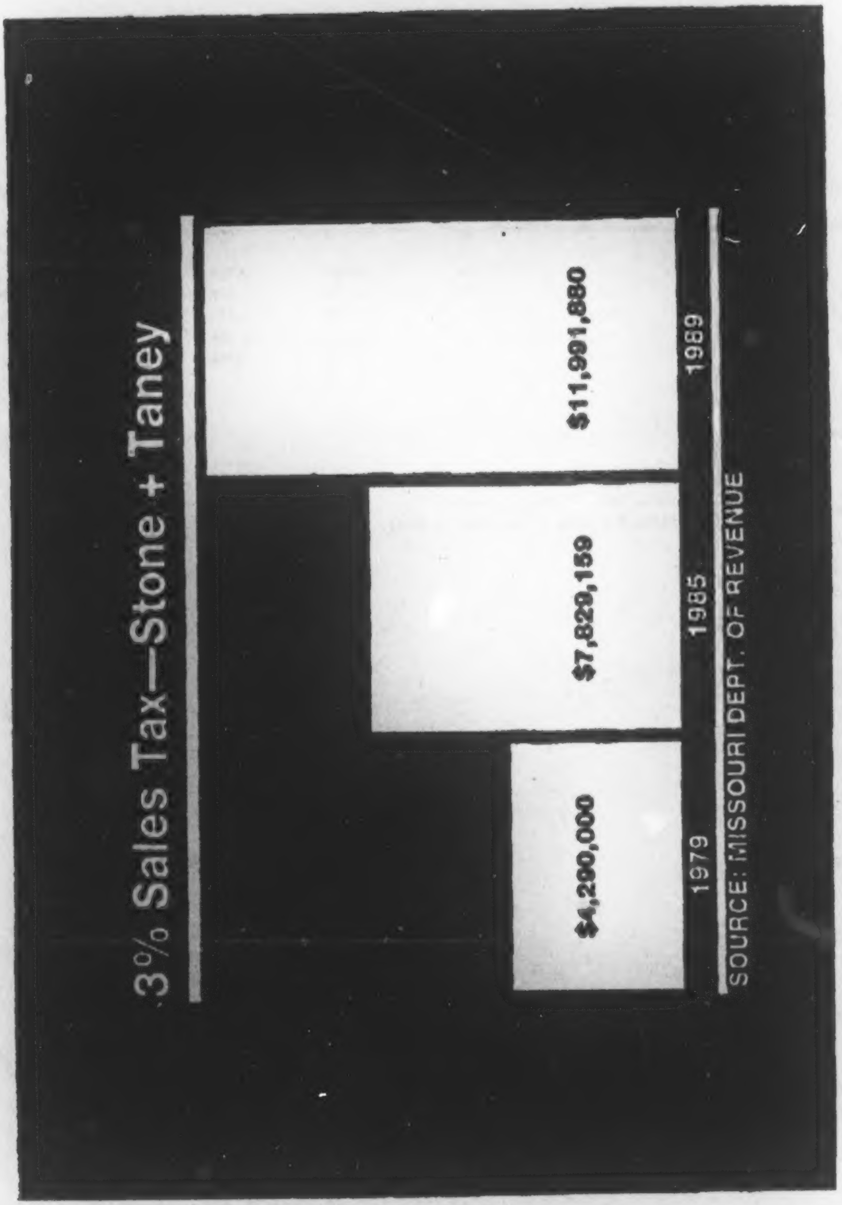
STONE AND TANEY COUNTIES
SOUTHWEST MISSOURI



Visitor Growth—6 Month Season

*PROJECTED—SOURCE: STEPHENS & ASSOC., SPRINGFIELD, MO.

STONE AND TANEY COUNTIES
SOUTHWEST MISSOURI



3% Sales Tax—Stone + Taney

SOURCE: MISSOURI DEPT. OF REVENUE

SOUTHWEST MISSOURI

COMPARISON OF FULL TIME JOBS IN MISSOURI'S MANUFACTURING/TOURISM/AGRICULTURAL INDUSTRIES 1984 THROUGH 1988

CALENDAR YEAR	*MANUFACTURING	% CHANGE	**TOURISM	% CHANGE	***AGRICULTURE	% CHANGE
1984	429,181	0.00%	112,800	0.00%	96,600	0.00%
1985	425,925	-0.76%	116,200	2.93%	83,269	-16.01%
1986	427,093	-0.49%	119,700	5.76%	80,271	-20.34%
1987	421,390	-1.85%	125,700	10.26%	76,097	-26.94%
1988	431,147	0.46%	132,000	14.55%	82,870	-16.57%

SOURCE OF INFORMATION:

*MANUFACTURING: Missouri Division of Employment Security.
**TOURISM: United States Travel Data Center.
***AGRICULTURE: Missouri Division of Employment Security.

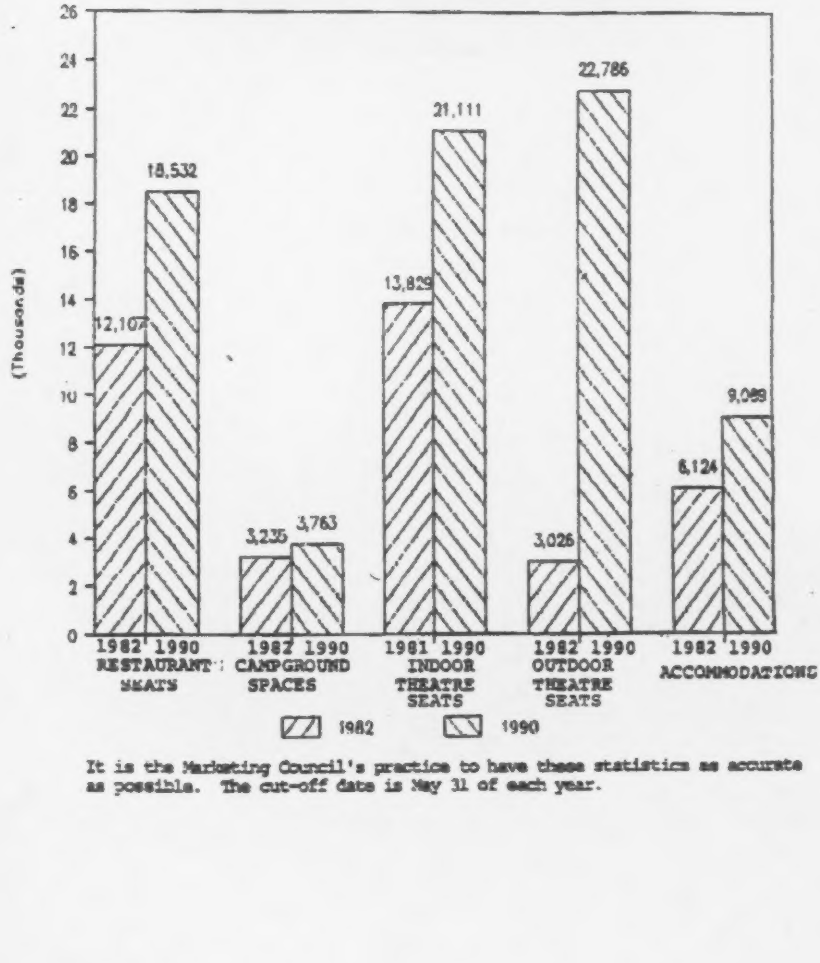
TANEY & STONE COUNTIES
SOUTHWEST MISSOURI

1990

Ozark Mountain Country

Basic Statistics

	1982	1990	Percent Of Increase
Restaurants	12,107	18,532	53 %
Campgrounds	3,235	3,763	16 %
Indoor Theatre	13,829	21,111	53 %
Outdoor Theatre	3,026	22,786	653 %
Accommodations	6,124	9,089	48 %



It is the Marketing Council's practice to have these statistics as accurate as possible. The cut-off date is May 31 of each year.

Statement of Roger W. Howard

Director of Government Affairs, Burlington Northern Railroad

Before the

House Committee on Public Works and Transportation

Infrastructure

August 31, 1990

Springfield, Missouri

My name is Roger W. Howard. I am Director of Government Affairs, Southern Region, Burlington Northern Railroad.

I am pleased to have this opportunity to discuss the positive role our company and the rail industry can play in effecting a solution to the congestion and deterioration of the nation's publicly financed infrastructure.

In recent years, Burlington Northern has worked hard to establish a solid partnership with our customers. In certain instances, our customers are truckers. We value this business and want to maintain our good working relations with them.

We have made dramatic improvements in the handling of carload and door-to-door intermodal shipments. We believe such partnerships offer a positive solution to the problems facing the publicly-owned and maintained infrastructure.

In order for this partnership to thrive we need an efficient network of local highways for pickup and delivery to compliment our long haul rail service. Together we can provide the shipping public with the most cost efficient, environmentally sound and safe transportation system possible.

Other witnesses here today will talk of the positive aspects of their modes of transportation. Let me speak to some of the virtues of the railroad industry.

RAILROADS OFFER THE BEST SOLUTION TO OUR INFRASTRUCTURE DILEMMA:

Railroads are fuel efficient--railroads use only 2.2% of the fuel consumed by all transportation modes.[1] Railroads can haul 2.76 more ton miles per gallon of fuel than can trucks.[2]

Railroads are environmentally preferable--scarcity of land and environmental concerns are obvious reasons why massive amounts of new highways cannot be added. Because railroads are more fuel efficient, they contribute less to air pollution. Because rail moves on steel, they don't create the environmental concerns associated with rubber tire wear and tire disposal.

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[1] See Automated Data Book, 1988 (Oak Ridge, Tennessee: Oak Ridge Laboratories, 1989), Table 2.8; and Railroad Facts, 1989, Op. Cit. p. 32.

[2] See AAR, Integrated Transportation Policy for an Era of Rising Expectations, August 1989, FN. 29, p. 51.

Railroads have excess capacity that current highway systems do not--in 1989, U.S. Railroads hauled one trillion ton miles[3] and has the capacity to haul many times that amount without experiencing congestion. Improved efficiency through escalation of advanced train control technology utilizing advanced telecommunications, satellite tracking and microprocessor controls can increase the capacity of main line track by as much as three (3) times. Installation of parallel track along a portion of main line can increase capacity as much as six (6) times.[4] This can all be done without the land acquisition and environmental problems common to highway construction.

Railroads have an outstanding safety record--on a per billion ton mile basis railroads experienced only 2.79 accidents.[5] Train accidents followed by release of hazardous materials have declined by 63% since 1980, while traffic volumes have increased. There has been only one hazardous material rail-related death since 1980.[6]

Railroads have an enviable employee safety record. The National Safety Council reports occupational injury rate for rail workers is substantially better than the other transportation modes, and significantly better than both the private sector and manufacturing sectors.[7]

Economies of density--as rail traffic increases over a specific corridor, the average cost per unit of freight falls. Increased densities improve rail service quality with more frequent train departures.

The nation's rail system offers a solution to pressing infrastructure concerns. We are the only freight transportation system that bears the full cost of construction and maintenance of its infrastructure and we even pay property taxes on it.

Although we have emerged from Staggers a healthier industry, transitioning from a tightly regulated environment to a customer-driven marketplace, we continue to face a threatening and competitive marketplace. Skewed by a national policy subsidizing competing modes, government policy continues to exert a profound influence on how the marketplace distributes freight among the various transportation modes. Our company and the rail industry has invested substantively in providing intermodal service to our customers. Continued and/or increased governmental policy preference to other modes will seriously jeopardize our ability to compete in the marketplace. Railroads currently operate at a severe competitive disadvantage, while public policy distorts transportation choices and reduces overall efficiency of freight transportation. Expansion of governmental policies advantaging competing modes will result in a lowering of rail profits, greater congestion on the highways and a much smaller rail system which may later require subsidization to survive. Truck diversion of rail traffic has slowed as railroads have improved service, consistency, reliability and innovation. Our intermodal technologies are accelerating and we look forward to justifying our investment and achieving potential market share.

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[3] See "Freight Traffic Records Set by U.S. Railroads," AAR News Release, Jan. 8, 1990.

[4] Computer Simulation Performed by Burlington Northern's Technology, Engineering and Maintenance Department.

[5] Rail Data from FRA, Accident/Incident Bulletin, 1988, Op. Cit., Tables 2, 3, 14.

[6] FRA, Accident/Incident Bulletin, 1985 and 1988, Table 26.

[7] See "BLS Reports on Survey of Occupational Injuries and Illnesses in 1988," News Release of Labor Statistics, November 15, 1989, Table 3. The injury rate per 100 rail workers in 1988 was 6.8, for trucking 13.8; for air lines 12.8; for water transportation and manufacturing sectors 12.1; and for the private sector 8.3.

Today, we offer a solution to the public infrastructure crisis. With your positive consideration we seek to avert the crisis facing our private rail infrastructure.

WRITTEN STATEMENT BEFORE

THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

Relating to

THE IMPORTANCE OF INFRASTRUCTURE TO THE CITY, THE STATE AND THE COUNTRY

BY

WILLIAM E. KIRKMAN
President
Springfield Area Chamber of Commerce

August 31, 1990

In an era of global economy there are many challenging issues the United States must address. However, few issues are as pressing as transportation. If the United States is to maintain its economic leadership in the world market, the need for a high quality, highly efficient transportation network is paramount. Competition is elemental, yet how can a level of competition be maintained if the process of getting goods to market breaks down?

The Springfield Area Chamber of Commerce is especially pleased to have been included in this hearing. Transportation is of eminent concern to our efforts. Congruent to our area needs are the needs of Missouri. We believe what is good for the state is good for Springfield and what is good for Springfield is good for the state and country.

While the problems associated with the funding and allocation of transportation projects are immense on a national level, they seem almost overwhelming on the local scene. In Springfield, Missouri's third largest metropolitan area, transportation, both ground and air, is vital. The continued growth and development of Springfield is directly tied to the ability to supply needed infrastructure to both existing and potential business. The ability to create the jobs and capital investment that will make Springfield strong and ultimately, the country , is in jeporady.

The present Federal Highway Act, now ten years old, expires September 30, 1991. The act provided for the interstate highway system and with the network of interstate highways completed, it is now time to address present and future needs. The completed interstate program now needs a new direction, but a consensus of that direction seems to be difficult. We encourage and support the timely passage of the next Federal Highway Act. We favor the act proposed by the American Association of State Highway and Transportation Officials (AASHTO) and the Federal Highway Administration.

We also believe that revenue in the Federal Highway Trust Fund should be used for the purpose it was collected with no diversion or sequestering of funds. As it stands now, the federal government is holding back transportation trust funds to counterbalance the federal deficit. The revolving door that collects federal highway user taxes and then distributes funds to the states for highway construction isn't swinging as quickly as it once did. It has been estimated that Missouri would receive $200 million more per year if the trust fund balance was released and Missouri received a fair share in the next Federal

Highway Act. In addition the situation will be further complicated if the federal government raises fuel taxes to reduce the deficit. Missouri ranks fourth in the country in the amount of fuel used per vehicle. The deficit is a national problem and a federal fuel tax would place an unfair burden on Missourians. Additionally we believe, along with the Missouri Chamber of Commerce, that demonstration projects are not in the best interest of a good highway system and that a rational plan, one that is good for the entire country is by far the better policy.

While there are definite concerns and areas of need regarding federal, state, and local transportation the federal/state partnership is creating successes as well. Springfield is a city on the move and transportation infrastructure is playing a major role. Recent examples of Federal matching funds allowing construction are: the 744/Interstate 44 interchange which will open up one of Springfield's largest and most viable industrial park areas. Federal funds utilized on the James River Expressway project are already having a very positive effect on Springfield's economy. Within the city, 5-laning of key Springfield streets is a further example of federal funds at work. New construction for the most part is assisted with federal money and that assistance is greatly appreciated. Yet, because of transportation issues, Springfield increasingly finds itself at a competitive disadvantage with other parts of the country in the scramble for economic development. The lack of a 4-lane highway between Springfield and Kansas City is an outstanding example.

Transportation needs are skyrocketing in this nation. In many areas of the country all modes of transportation are operating near or at capacity. Now is the time for answers to be found to insure both the economic and social growth of America.

This written testimony expresses the concerns of midwestern citizens. Some of our needs are similar to those of the east and west coast population and some of the needs are unique to us. In your role as United State Congressmen, we are certain you will weigh those needs of Missouri with equal consideration.

STATEMENT BEFORE THE HOUSE OF PUBLIC WORKS AND TRANSPORTATION COMMITTEE RELATING TO THE FUTURE OF THE NATION'S INFRASTRUCTURE

BY HAROLD L. McCOY, DIRECTOR OF PUBLIC WORKS/DEPUTY CITY MANAGER AND CHAIRMAN OF THE JOPLIN METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION.

My name is Harold McCoy. I am the Chairman of the Joplin Metropolitan Planning Organization and also Deputy City Manager of the City of Joplin, Missouri. Thank you for this opportunity to speak before you today.

Infrastructure needs affect communities on a broad spectrum. I would like to address each one individually. Joplin--being the 4th largest metro area in the State of Missouri and Southwest Missouri being one of the fastest growing areas in the United States will be greatly affected by future infrastructure funding programs.

HIGHWAY - Joplin benefits from having 34 trucking terminals, four of which are the headquarters, with 2,600 tractor units and 6,000 trailers being based in Joplin. Therefore, highways are of major concern for the future economy of the region. We are boosters of the Highway 71/I-49 corridor improvement from Kansas City to Shreveport. We appreciate the consideration the Committee has given to this project in the past. We ask your continued support for improving this corridor to a minimum of freeway standards and hopefully to an interstate standard in the future.

We support the Missouri Highway Department's position that highway trust funds should be allocated based upon highway user miles within each governmental boundary. We have a great deal of concern about the new proposed highway bills omitting funding for urban areas. If we are to use the concept of allocation based upon highway miles travelled, then urban areas should get their fair allocation under this system. An FHWA '87 report states 18 percent of the roadway miles are in urbanized areas with 59 percent travel occurring on urban roadways.

AVIATION - Joplin operates a regional airport which would be classified as a small air carrier by FAA standards. We have been devastated by the effects of deregulation. We have had drastic increases in air fares due to lack of competition and any additional increase from a tax on airline tickets would put us at a greater economic disadvantage. We do support a passenger facility charge which would allow small air carrier airports to use this revenue to match entitlement funding program. Deregulation has greatly reduced the abilities of small airports to generate revenues. Further, small air carrier airports should not be required to use their enplanement allocations for general aviation purposes. General aviation needs to be funded through discretionary funds. Such items as paved aircraft parking aprons, general aviation taxiways, and runways too short for air carriers are examples of projects to be funded from discretionary funds. The consolidation of flight service stations have created safety problems at small air carrier airports, due to the fact that after the tower operational hours of the airport, no traffic control exists. Also, the lack of up-to-date weather reports due to the consolidated flight service station, i.e. wind velocities and direction, and cloud ceiling height are additional safety concerns. The FAA needs to install automated equipment or change its method of operation to allow up-to-date weather information to be furnished with a change in weather conditions.

WASTEWATER- The new wastewater funding program, being operated through the EPA and state environmental agencies, is totally inadequate. This nation has made great strides in improving water quality in the past decade. A new program is doomed for failure because local sewer service charges will rise so drastically that they will not be supported by the local populace. Joplin has completed a $40 million program. If we were amortizing the cost of this improvement today through our sewer service charge program our rates would double, and to finance the improvement need in the next decade our rates will double again.

Southwest Missouri is one of the fastest growing areas in the nation. Impact fees, service charges, construction fees, and assessments will not address the demands put on the local communities to support expansion of needed facilities. Secondary concern is EPA's proposed program of upgrading stream qualities which will require additional stages of treatment, removal of additional items from the wastestream can be removed by present processes. We urge the Committee to closely monitor the proposed loan program to finance wastewater facilities that is now underway. Let us not lose our progress we have made in recent decades to an unworkable program.

Local communities have been abandoned by the federal government. We initially lost federal revenue sharing, the EPA Grant Program has been abandoned, housing community development funds are being discontinued, proposed highway bills omit funding for local needs and aviation trust funds are not being distributed.

In Missouri, as in many states across the nation, you must vote on each tax increase. Very simply, the voters will not, in our opinion, endorse additional taxation required to replace the lost funds or grants that were furnished by above programs. Since we do not have the ability to raise revenues at will, the infrastructure we depend upon for our economic well-being will literally fall around us or from under us.

We urge the Committee to review the new federalism attitudes towards your local communities.

Further, being from conservative Southwest Missouri, I support a balanced budget but not at the expense of our infrastructure needs in the highway and aviation programs. We urge you to release the present trust funds and not allow user fees to be diverted now or increased in the future for deficit reduction.

Thank you for coming to Southwest Missouri. We appreciate your efforts in Congress and thank you for this opportunity.

TESTIMONY OF BLAIR MORAN

HIGHWAY 60 COMMITTEE

SIKESTON, MISSOURI

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

SPRINGFIELD, MISSOURI

AUGUST 31, 1990

THANK YOU MR. CHAIRMAN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO EXPRESS OUR CONCERNS ON THE TOPIC OF FEDERAL HIGHWAY POLICY.

I LIVE IN SIKESTON, MISSOURI IN THE SOUTHEASTERN CORNER OF THIS STATE AND WE HAVE BEEN. WAITING FOR 30 YEARS FOR THE COMPLETION OF A FOUR-LANE CORRIDOR ACCROSS THE SOUTHERN TIER OF THIS STATE.

FOR THE RECORD, I WOULD LIKE TO POINT OUT THAT THIS SECTION OF SOUTH-CENTRAL MISSOURI AND NORTH-CENTRAL ARKANSAS IS THE LARGEST AREA IN THE EASTERN TWO-THIRDS OF THE UNITED STATES NOT SERVED BY AN INTERSTATE HIGHWAY. THIS SITUATION IS COMPOUNDED BY THE FACT THAT WE ALSO HAVE NO STATE FOUR-LANE HIGHWAYS THROUGH THIS REGION.

STUDY AFTER STUDY ON THE TOPIC OF ECONOMIC-DEVELOPMENT CONCLUDE THAT BUSINESSES EXPAND ONLY ALONG TRANSPORTATION ARTERIES. SO IT COMES AS NO SURPRISE THAT THIS REGION OF OURS ALSO CONTAINS SOME OF THE POOREST COUNTIES IN THE COUNTRY.

WHEN OTHERS TELL YOU THAT THE INTERSTATE SYSTEM HAS BEEN COMPLETED, WE WOULD ASK THAT YOU REMEMBER THAT SOME REGIONS SUCH AS OURS HAVE BEEN LEFT BEHIND. WE DON'T NEED, OR ASK FOR, AN INTERSTATE. BUT WE WOULD LIKE THE COMMITTEE TO REALIZE THAT NEW CONSTRUCTION IS STILL DESPARATELY NEEDED.

IN ADDITION, WE'D LIKE TO OFFER THE FOLLOWING THOUGHTS AS THE SUBCOMMITTEE PREPARES TO REWRITE THE HIGHWAY BILL:

- AN INCREASE IN THE LOCAL MATCHING REQUIREMENT WOULD BE DEVASTATING TO THE POORER STATES WITHOUT THE TAX BASE TO GENERATE THESE RESOURCES.

- THE COMMITTEE COULD GREATLY ASSIST REGIONS LIKE OURS BY OFFERING AN ALTERNATIVE FORMULA FOR PROJECTS IN AREAS WITH HIGH CONCENTRATIONS OF POVERTY. THIS MIGHT HELP COUNTER THE DISTORTIONS WE'VE SEEN IN OUR STATE WHERE ORGANIZED URBAN STATE LEGISLATIVE DELEGATIONS HAVE SECURED A DISPROPORTIONATE SHARE OF THE FEDERAL FUNDS ALLOCATED.

YOU CAN ARGUE THAT BEING A RURAL COMMUNITY IN A MINIMUM ALLOCATION STATE IS THE WORST OF ALL POSSIBLE WORLDS WITH RESPECT TO THE FEDERAL FORMULA. AFTER OUR STATE RECEIVES ITS DISPROPORTIONATELY LOW SHARE, THE URBAN AREAS GRAB A DISPROPORTIONATELY HIGH SHARE, AND WE ARE LEFT WITH THE BARE MINIMUM.

MR. CHAIRMAN, WE HAVE MANY PEOPLE IN THIS REGION WHO KNOW ALL ABOUT HARD WORK. BUT THE JOBS AREN'T COMING HERE LIKE THEY SHOULD BECAUSE THERE'S NO ACCEPTABLE TRANSPORTATION NETWORK. OUR IDEA OF WELFARE REFORM IS TO CREATE MORE JOBS, BUT WE NEED SOME BASIC INVESTMENT IN OUR HIGHWAY SYSTEM TO BRING THOSE JOBS THAT WILL BUILD OUR FUTURE.

THANK YOU ONCE AGAIN FOR YOUR INVITATION AND YOU KIND ATTENTION.

STATEMENT BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

Relating to

THE FUTURE OF OUR NATION'S INFRASTRUCTURE

By

WAYNE MURI
Chief Engineer
Missouri Highway and Transportation Department

August 31, 1990

Mr. Chairman, my name is Wayne Muri, and I am the Chief Engineer of the Missouri Highway and Transportation Department. I am pleased to respond to the Committee's invitation to appear at this hearing on the future of our nation's infrastructure. I welcome you and thank you for coming to Missouri.

The United States is facing serious economic challenges in the 1990s. Public investment in the infrastructure is critical to improving the economy and to improving U.S. competition in the world marketplace. This has been shown in studies done by Dr. David Aschauer, formerly a senior economist with the Federal Reserve Bank of Chicago.

There are several issues now before Congress that will affect Missouri's infrastructure investment and the future of our transportation system I'd like to talk about.

NEW FEDERAL TRANSPORTATION PROGRAM

The new federal transportation program must include all modes and integrate them into an efficient system. Missouri will need flexibility in using federal funds to make that system work. The National Transportation Policy presented by Secretary of Transportation Skinner is an excellent program and would do just that. The national transportation policy developed by the American Association of State Highway and Transportation Officials (AASHTO) over the past three years also will do that. Missouri would receive its fair share of federal funds for the first time in many years under either program.

Highways

The Department of Transportation (DOT) and AASHTO programs would give Missouri its fair share in a number of ways.

They will identify a national highway system. The formula for this system will be based on the number of miles of roads driven and the number of miles of roads in a state. Missouri has the sixth-largest state highway system in the U.S. and, as the crossroads of the nation, is used by many.

The DOT and AASHTO programs also will give us the flexibilty to allocate funds among transportation modes. That will allow us to develop a system that can make Missouri more competitive and improve the people's mobility.

Much will be done and many points will be debated before the next act is approved. The DOT and AASHTO programs can be important tools in developing the next surface transportation act. These programs now would provide Missourians with as much as $200 million more per year in federal highway funds. That's almost double the $250 million Missouri now receives. For southern Missouri, that could mean making Route 60 dual-lane and Route 71 a freeway.

Another critical issue for Missouri in the next federal surface transportation act will be the ratio in which federal funds are matched with state funds. The ratio for Missouri now averages about 82 percent federal, 18 percent state. There is discussion of increasing the states' share of the matching ratio. If that happens Missouri would have to forego the funds or raise taxes in order to have sufficient money to match the federal portion.

The current minimum allocation plan keeps Missouri from getting its fair share of funds. Minimum allocation is intended to ensure there is a balance in the distribution of funds among the states. Minimum allocation states are supposed to receive an amount governed by a formula now pegged at 85 percent. While this may seem to be a reasonable figure, it is too low. If minimum allocation is retained, the factor used in determining a state's share should be at least 90 percent.

Demonstration projects or use of discretionary funds that are allowed under the current act mean no additional money for Missouri. Once again, we do not receive our fair share. Demonstration projects or discretionary funds for Missouri mean money is taken out of one pocket and put in another because they are subtracted from our minimum allocation.

Transit

Missouri's population is aging significantly, persons with disabilities are demanding attention to their transportation needs and two job families are increasingly common.

These factors put new demands on our transit system and make it necessary for us to have a strong federal program for public transit. To strengthen the transit program increased federal funding is essential.

Rail

Railroads are a crucial part of a transportation network and essential for strong economic growth. Future transportation programs must preserve rail service and support rail projects as alternatives to other improvements.

Amtrak provides a needed service across Missouri. It has served more than 1.3 million Missourians since it began. Ridership has grown from approximately 50,000 in 1980 to over 157,000 in 1989. Funding and development should be continued for this service.

Local rail assistance programs, which aid several local rail operations in Missouri, should also be continued. These programs help provide rail freight service to smaller communities and agricultural shippers. Both depend on the programs to make transportation costs economical and their goods more affordable.

Aviation

Missouri was selected in May, 1989, by the Federal Aviation Administration (FAA) as one of three states to participate in a two-year State Block Grant Pilot Program. The purpose of the pilot program is to see if states can efficiently administer the Federal Airport Improvement Program.

The states involved are administering the program for all airports having less than 10,000 passengers. Missouri's first year was very successful and the airport sponsors seem pleased. Since most of the first year was needed to establish and organize procedures, that only allows states one year to demonstrate their ability to administer the program. That is not enough time. The pilot program should be extended for at least one year.

Although the pilot program has given aviation in Missouri a boost, most of our airports are old and in need of major repair, like most of the nation's infrastructure.

The aviation industry in Missouri is a primary economic generator that contributes nearly $12.5 billion annually to the state's economy.

Because of the enormous increases projected in air travel and the already mounting pressures to increase airport capacity more funding is essential. Airports of state and national importance should be funded by federal aviation user fees and, where possible, by state aviation fees. General fund support should also be continued.

Waterways

Port authorities offer industries cost savings through the use of waterway transportation. They can help make the U.S. more competitive in world markets. Missouri currently assists 14 public port authorities. This support allows them to maintain the contacts they need to encourage expansion of existing industries and the location of new industries in their communities. The base is started in many areas for the federal government to develop a national port and waterway system. This should be done and tied into the transportation system to provide a complete surface transportation program.

FEDERAL DEFICIT

Proposals to increase the federal fuel tax to reduce the deficit could have a serious adverse effect on Missouri. Mr. Chairman, thank you for fighting these proposals. They would be, as you know, an abuse of the user-fee concept on which the highway system is built. In addition such a plan would force some parts of the country, including Missouri, to pay a disproportionate share.

Our state ranks fourth in the nation in the amount of fuel used per vehicle. An increase in the gas tax of 25 cents per gallon would cost more than $600 million per year in Missouri alone. We realize Iraq's invasion of Kuwait may put this proposal on the back burner for awhile but we feel it will continue to be an option. Please continue to oppose an increase in the fuel tax for reducing the deficit. Any increase in motorist user fees should be used for highways.

CLEAN AIR ACT

The clean air act now being considered by a conference committee could also affect Missouri's transportation system. The Missouri Highway and Transportation Department supports efforts to improve the environment. But two issues in the proposed clean air bill could be detrimental to the states.

The first is the conformity provisions that give the Environmental Protection Agency (EPA) absolute power over highway projects. EPA, rather than the Federal Highway Adminstration (FHWA) would determine whether a project would be built, based on its environmental impact. This would allow EPA to deny funding for a project and Missouri would have no recourse. If Missouri tried to build with state money, EPA could stop all federal highway funds for other projects in Missouri, such as the Mississippi River bridge at Cape Girardeau or the improvement of Route 60.

The second would require gasohol use in St. Louis and similar areas. Gasohol is taxed at only three cents per gallon, while gasoline is taxed at nine cents per gallon. This six-cent gap cost Missouri $8 million last year and the loss is expected to be $9 million next year. Missouri would lose $82 million a year if gasohol is mandated in the conference bill. The present gasohol exemption is intended to encourage gasohol use by lowering the price. It makes no sense to continue that exemption if gasohol must be used.

Transportation is the key to the success of Missouri and the rest of the country. We enjoy the convenience and economic benefits of a transportation system second to none. But we must continue to invest in our transportation system to compete in the global marketplace.

Please consider our recommendations and concerns and adopt legislation that will give Missouri a more equitable share of transportation funding. We also ask you to act in a timely manner so we can plan carefully.

Mr. Chairman, thank you for this opportunity to testify, and for coming to Missouri. We will be pleased to respond to questions the committee may have, and to requests for information.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEE ON SURFACE TRANSPORTATION

FIELD HEARING, SPRINGFIELD MISSOURI, AUGUST 31, 1990

Testimony submitted by Laurel R. Thompson
President, West Plains Missouri Industrial Development Corporation
Chairman, Transportation and Economic Development Committee, Greater West Plains Area Chamber of Commerce
Vice-President and Manager, KWPM, Inc., operating radio station KWPM (AM) and KSPQ (FM), West Plains Missouri

We welcome the opportunity to present testimony to this subcommittee, and will present information supporting two primary areas of need. First, the need for long-range planning for completion of upgrading to four lanes the trucker's apparent route of choice from cities like Omaha and Kansas City through Springfield and West Plains Missouri, to Jonesboro Arkansas, Memphis and points south and southeast. Secondly, we continue to search for any possible source of help in addressing the immediate problems of the most severly overloaded portion of that corridor, U.S. Route 63 between Willow Springs and West Plains Missouri.

From the first interstate highway legislation to present time, the Ozarks has been completely by-passed by the system. Even though this northwest-southeast corridor has long been talked about, and the affected states have attempted to treat the most urgent needs, needed federal priorities, coordination and planning have not been present. Even so, only two major areas still need to upgrade to four lanes to accomplish this important diagonal link-up of at least four major north-south and east-west interstates. Parts of Highway 7, from Harrisonville Missouri to Clinton, and much of Highway 13, Clinton to Boliver, need the upgrade, as does U.S. 63 from Willow Springs Missouri to Jonesboro Arkansas. We feel the much faster-than-predicted growth of traffic loads along this entire route, as inadequate as some of it is, is well documented by Missouri traffic studies. Likewise, the mushrooming of tourist travel and rapid proliferation and development of a variety of light to medium industry in South-Central Missouri and North Arkansas is adding greatly to already dangerous traffic overload problems. These overloads are particularly explosive and dangerous along a 20 mile portion of U.S. 63 between Willow Springs and West Plains in Howell County, Missouri. We have studied this situation very closely over the past two or three years, and our problems continue to escalate far beyond the most liberal predictions. The combination of unexpected heavy traffic loads, traffic types, terrain and topography provide a dangerous combination of factors not really present in any other two-lane highways we have found. Twenty-eight percent of vehicles are heavy trucks; 34 percent of Highway 63 between Willow Springs and West Plains is yellow-striped no-passing zones; and in much of the area where passing is legal, the short distance available, traffic load, and congestion prohibit it. This results in dangerously "stacked traffic", with locals realizing that passing attempts are chancy at best and non-productive, but drivers from out of the area become impatient and problems result. While tourism is increasing and does contribute a share of the load, the overwhelming bulk is consistent work-a-day traffic. Area industry has shown explosive growth during the past three years, health care traffic is growing even faster with Ozarks Medical Center at West Plains seeing utilization growth as high as 37 percent during just one of those years; rapid expansion of several area wood products industries, including Bruce Hardwood Flooring with more than 200 new jobs, has increased heavy, slow truck traffic immensely; Southwest Mobile Systems, a defense contractor, is just embarking on two major expansions - two huge defense contracts involving a lot of heavy truck movements and up to 550 new jobs; Safeway Charcoal, south of West Plains, reports that the present Burlington Northern piggyback policy has increased the number of Safeway trucks to Springfield by 800 so far this year alone; every Tuesday, the Ozarks Regional Stockyards north of West Plains sees an average of 4,000 cattle coming into and out of the yards, many utilizing 63 North - all in heavy, slow moving trucks and trailers both coming and going. We are also seeing the probability of a major expansion in poultry processing in West Plains that almost certainly will have a tremendous impact on ag traffic over a 35 mile radius within about 5 years.

The Farm Bureau has recognized the tremendous new pressures on agriculture-related transport created by the Highway 63 bottle-neck between Willow Springs and West Plains, and urges expeditious planning for 4 lane development of that entire 20 mile section of Highway 63. The hazardous results of mixing farm equipment movements with the current traffic load are obvious.

Another compounding factor, major new development at the ODC Industrial Park area north of Pomona, about midway between West Plains and Willow Springs, appears likely. Pepsi-Cola has moved their area distribution center to the park near the airport with all their trucks headquartered there. Discussions are on-going with two high-tech firms definitely moving in our direction. The two companies are involved with converting wood waste to energy, alternate fuels, and systems to improve our ecology. They are interested in up to a total of 300 acres north of Pomona with projected new employment of up to 300 people and good highway access a major prerequisite.

Local retail sales reflect the rapid expansion of travel in this area with sales increases from 1986 to 1988 of over 15 percent, 1989 saw an increase of 9.6 percent over 1988, and the first six months of 1990 increasing at a whopping 12.5 percent over 1989's booming growth. Area employment is at an all-time high with unemployment at new lows.

During this summer, our unemployment rate has dropped to as low as 4.9 percent; we're seeing people regularly driving to West Plains to shop and daily commuters to work from more than a 50 mile radius - all on single lane roads. Fall enrollment at Southwest Missouri State University - West Plains Campus is up 22 percent over last year's record high; and this is a totally mobile commuting student body, driving to West Plains from every direction. Even more growth is indicated in various Vo-Tech and nursing programs in West Plains, as the various training programs attempt to keep up with job growth opportunities.

We, of course, welcome this healthy growth, but recent traffic accident information provided this week by the Missouri State Highway Patrol paints a frightening scenario. While very recently, we have been fortunate as far as fatalities on this particular stretch of highway are concerned, emergency medical people tell us the accidents on Highway 63 between Willow Springs and West Plains generally produce major trauma - much worse than average - because they all involve highway speeds. The Highway Patrol report shows that we had 25 percent more personal injury accidents in 1989 than we saw in 1988. And at least two recent accidents involved school busses - either of which could have been a major disaster of intolerable proportions. Our area emergency vehicles have had a great deal of difficulty with traffic congestion from Highway 60 south to West Plains, and the heavy utilization of this highway by a number of the OMC medical staff - often in emergency situations - has generated great concern within the medical community.

This year as school started, the schools along this portion of U.S. 63 have a total of 38 busses moving on or across U.S. 63 twice each day. Willow Springs' 13 busses include one route that crosses U.S. 63 five times each morning and five times each afternoon. Another of their busses, twice daily, crosses at an intersection where a Missouri State Trooper was killed a few years ago making a turn on U.S. 63 while visibility was partially restricted. Richards Rural Elementary School has 8 busses working along and across U.S. 63 north of West Plains, and the West Plains R-7 district busses cross this congested highway 17 times, twice daily. Assuming an average of 30 to 40 students per bus, these movements constitute an unacceptable risk factor for tragedy.

We understand that statistics show that dual lane roads are 8 times safer than two-way traffic, and we feel the topography on this 20 mile stretch of Highway 63 could well make that ratio even more lop-sided. By 1988, traffic loads had mushroomed to far exceed all design standards for the entire twenty-plus miles. Now, the latest Missouri Highway Department traffic count number (from 1989) indicate a 10 to 12 percent increase in traffic between Willow Springs and West Plains in just that one year, and all indications are that growth is still exploding. The lowest 24 hour traffic count along that route is 8,000 and ranges up to a high of 15,754 movements per day just north of West Plains. Missouri has plans to address the most urgent needs just north of West Plains, but at least half of the 20 plus miles, plus a critical railroad crossing problem at Pomona, is all the in the "unfunded ten year study".

Clearly, our states must come up with additional revenues simply to hope to keep up with our deteriorating infrastructure, but to help our U.S. 63 immediate needs, we would hope that we might find some faster, even immediate federal help with a special project through the Highway Trust Fund. If no such emergency system is currently available, we would urge Congress to seriously work toward the inclusion of such mechanisms in the new Federal Highway Bill. The people in our area have worked very hard to pull our area out of the "economically depressed" column, only to have their efforts and resultant success threatened by the stifling effect of 20 miles of outdated, horribly overloaded and dangerous highway. Our needs and growth figures are not speculative - the area growth has already pushed highway usage on U.S. 63 between Willow Springs and West Plains to at least 160 percent of maximum planned capacity at points of lightest traffic, and at the heaviest point to more than 315 percent of planned maximum capacity. We're perched on a powder keg with a short fuse, and plead for help in our search for ways to avert disaster.

We must generate funds - we must re-think some priorities. Dollars are expendable, but the tragic potentials in LOST human lives and suffering must be addressed.

INTERSTATE 66 PROJECT, INC.

NATIONAL HEADQUARTERS
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Glen Dockery, Executive Director
(316) 268-4632

BRANCH OFFICE
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Cape Girardeau, MO 63701
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August 31, 1990

TESTIMONY FROM THE I-66 STEERING COMMITTEE BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

This testimony is being offered for the I-66 Steering Committee and its Chairman, Mayor Bob Knight, of Wichita, Kansas. This testimony is being offered by a member of the staff of the Steering Committee:

Walter Wildman, Associate Director

Technical data supplied by Dr. Lonnie E. Haefner, of L. E. Haefner and Associates, St. Louis, MO.

We appreciate the opportunity to offer testimony on the I-66 Corridor Project. The past two years have seen a serious examination of the need for a new national statement of surface transportation policy. Several stimuli have spurred professional and trade association groups to undertake such a review and document their findings. The most relevant issues appear to be:

1. The doubling of surface travel demand by the year 2020.
2. Continued urban congestion and gridlock.
3. A fifty percent decrease in American productivity over the last decade, tied to lagging infrastructure investment.
4. Direct negative impacts of the above on our international trade processes.
5. The closing of Interstate Authorization in 1992.
6. Related needs to identify new highway corridors which serve post-interstate demographic and economic growth patterns and serve rural America's accessibility needs.
7. The need for increased highway funding to accomodate the above travel demand growth, improve our domestic productivity and effectiveness in international trade.

In light of the above, this testimonial document is a request for consideration of a 2,400 mile corridor stretching east to west across America. Termed the I-66 Corridor, it will yield significant national increase in accessibility, tourism, economic impact and intermodal avenues for international trade. The rationale for the presence of the corridor is the fact that only two major east-west flows exist to process travel across the U.S. - that of I-40 and I-70. Separated by up to 350 miles, the result is a lack of direct travel capabilities through America's heartland, linking major rural producing areas with major urban and rural centers.

Further, as the interstate authorizations draw to a close in 1992, it is appropriate to yield opportunity for a new review of America's corridor patterns. The post-interstate age must address several germane questions - How have population and activity centers shifted in the U.S. in the last decade of Interstate Construction? - What are the opportunities for growth in the future of the U.S.? - How can major highway corridors help such growth be achieved?

The approximately 2,400 mile long route is expected to originate in the vicinity of existing I-5, which is located east of the California Coastal Ranges and in the Fresno-Bakersfield Valley, and thence run eastward through Nevada, Arizona, Utah, Colorado, New Mexico, Kansas, Missouri, Illinois, Kentucky, West Virginia, with an eastern terminus in Washington, D.C., termed the northern option, or Norfolk, Virginia, termed the southern option.

Preliminary cost analysis has been performed, resulting in an initial cost range of 17-17.5 billion dollars for the route. This will be further refined with the use of detailed cost modelling by the engineering team in the near future. Significant environmental issues may arise during future detailed studies in addition to those listed in the pre-application.

The engineering cross-section associated with the alignment is that of high-type, Interstate design standards which include a 200-350 foot right-of-way, and local service frontage roads. The design speed is conceived at 70 mph, with grades and curves within acceptable Interstate standards. Originally conceived as two 12 foot lanes in each direction, it may be developed as three lanes in each direction, with one lane dedicated as exclusive truck lane. Subgrade, subbase, pavements and related geometrics would be of design and depth to accomodate heavy weight trucks sanctioned in the 1982 Surface Transportation Assistance Act (STAA). The economic benefits of such operation have been thoroughly documented in Transportation Research Board Special Report 223.

As stated earlier, a doubling of national travel demand is expected by year 2020. The presence of I-66 will reduce traffic on I-40 and I-70 by approximately one-third, and yield a longer life of useful traffic flow for those facilities. In addition, as the truck percentages in each system are expected to be in the 20-35% range, the removal of truck traffic from the stream can be expected to reduce accident rates on facilities by about 20%. This is a significant reduction.

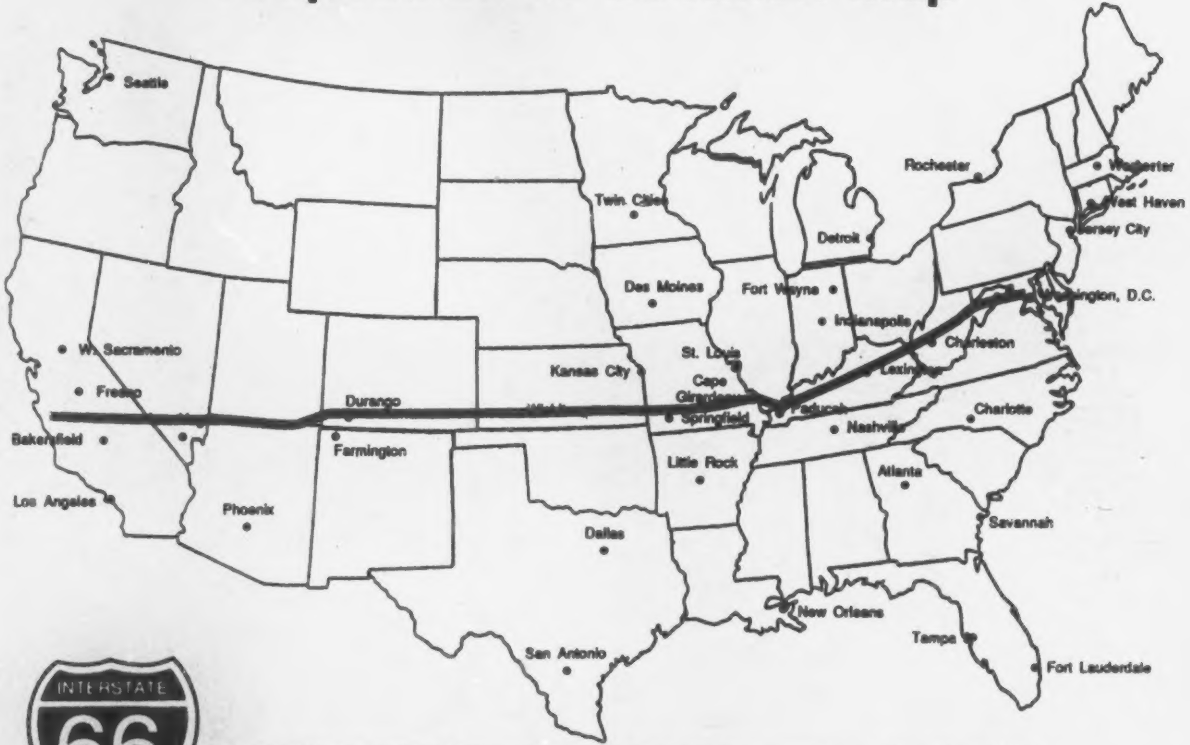
In addition, this route allows a direct linkage of west-east deep water ports to midwest railroads, and travel from the west coast to the gulf coast and east coast ports within 1½ to 3 days from the west coast. Thus, containerized cargo and perishables can be moved intermodally by rail-water-truck or truck-rail or water-truck in a national "land bridge system" which connects the major internal and export-import break-bulk points of the nation with world markets. This movement is significantly faster than by any one mode in isolation, or deep water traverse through the Panama Canal. Such related moves have become a conventional opportunity, as Asian freight is brought to U.S. west coast ports, trucked to the midwest or east, then airlifted, barged and/or deep-sea exported from the U.S. to Europe. This represents very significant opportunities for the U.S. to become a major intermodal cargo clearinghouse for world trade movements, in addition to enhancing its own export-import flow patterns. The presence of the I-66 corridor would greatly improve tonnage across the ports of San Francisco, Oakland and Long Beach, California and enhance the above clearinghouse effect in the midwest and at east coast and gulf ports.

Finally, simple model analysis of the impact on the corridor of the proposed I-66 facility is underway through the development of multipliers. Multipliers are being developed for business activity, household income, travel expenditures, and government revenues. It is planned that future work will also include employment, property value losses and gains, and export multipliers.

Use of the above of multipliers indicate the impacts that can be experienced during and after construction of the proposed I-66 facility on counties within a 50-mile corridor. Based on preliminary analysis, the northern route option of proposed I-66 is anticipated to experience an economic impact in excess of 303.7 billion and a construction impact of 62.7 billion. The southern route option would experience an economic impact in excess of 281.5 billion and a construction impact of 64.5 billion. This is truly a significant gain, and illustrates the benefit of adequate highway corridors to GNP.

Considerably more detailed information can be obtained from the working paper and two video presentations. These documents will be made available upon request.

Proposed I-66 Location Map


Seattle
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Twin Cities
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Lexington
Charleston
Atlanta
Charlotte
Savannah
New Orleans
Tampa
Fort Lauderdale
Rochester
Worcester
West Haven
Jersey City
Washington, D.C.

Interstate 66 is a project that will enhance the interstate system and reduce congestion on major east/west interstate arteries.

Interstate 66 Project Inc. was established to support a feasibility study for the highway and lobby for future construction of the route.

tsmt

A Commitment To Excellence

James Wingfield

James B. Wingfield
Director Driver Marketing
Contractor Relations

I'D LIKE TO SAY A FEW WORDS OF INTRODUCTION ABOUT MY COMPANY, TRI-STATE MOTOR TRANSIT, AND OUR OPERATIONS.

TRI-STATE MOTOR TRANSIT HAS OPERATED FOR OVER 50 YEARS AS AN IRREGULAR ROUTE, HEAVY, AND SPECIALIZED MOTOR HAULER, HEADQUARTERED IN JOPLIN, MISSOURI. THE COMPANY HAS GROWN TO BECOME ONE OF THE NATION'S TOP 50 TRUCKING COMPANIES WHICH OPERATES FROM COAST TO COAST AND IS ONE OF THE PREMIER SPECIALIZED MOTOR HAULERS.

WE HAVE A BROAD RANGE OF GENERAL COMMODITY RIGHTS BETWEEN ALL POINTS IN 48 STATES. OUR FLEET IS SUPPORTED BY GOVERNMENT AND COMMERCIAL EXPLOSIVES, NUCLEAR MATERIALS, AEROSPACE GOODS, AND HEAVY OR OVER-SIZED/OVER-DIMENSIONAL LOADS.

TRI-STATE HAS APPROXIMATELY 26 TERMINALS LOCATED THROUGHOUT THE COUNTRY FROM THE WEST COAST TO THE EAST COAST, AND WE OPERATE HEAVILY IN THE UPPER AND LOWER MIDWEST. MOST NOTABLY, BESIDES OUR JOPLIN, MISSOURI HEADQUARTERS, WE HAVE TERMINALS LOCATED IN HOUSTON, TEXAS; NASH, TEXAS; KANSAS CITY, MISSOURI; SHERMAN,TEXAS; RIALTO, CALIFORNIA; AND SEATTLE, WASHINGTON.

TRI-STATE IS ONE OF THE TOP TRANSPORTERS FOR THE DEPARTMENT OF DEFENSE.

AS REGARDS OUR INPUT TO THIS COMMITTEE, I WOULD LIKE TO ADDRESS THE LONGER NATIONAL SCOPE; RELATE IT TO OUR OPERATIONS AND END BY ENDORSING A PROJECT VERY CLOSE TO HOME.

TRI-STATE MOTOR TRANSIT ENDORSES THE VIEW OF THE AMERICAN TRUCKING ASSOCIATION SUPPORTING A "HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE".

AS SET FORTH IN MR. THOMAS DONOHUE'S SUMMARY STATEMENT TO THE SUB-COMMITTEE ON SURFACE TRANSPORTATION OF THE COMMITTEE ON THE PUBLIC WORKS AND TRANSPORTATION DATED MARCH 15 OF THIS YEAR, "77 PERCENT OF ALL COMMODITIES NOW MOVES ON TRUCKS...AND A RENEWED TRANSPORTATION SYSTEM WILL UNDERGIRD OUR DRIVE TOWARD THE REBUILDING OF OUR NATION'S INDUSTRIAL STRENGTH."

FOREMOST IN THIS POSITION IS MAINTENANCE AND REBUILDING OF OUR INTERSTATE SYSTEM ADDING ADDITIONAL INTERSTATES WHERE NECESSARY.

AS WE ALL KNOW, AN HISTORICAL JUSTIFICATION FOR THE NATIONAL INTERSTATE SYSTEM WAS NATIONAL DEFENSE. AS THIS COMPANY CAN CERTAINLY ATTEST, OUR NATIONAL DEFENSE CONCERNS WERE INDEED SERVED BY THE TRANSPORTATION OF ORDINANCE AND MATERIAL TO SUPPORT OUR EFFORTS IN VIETNAM, AND MOST RECENTLY HUNDREDS OF LOADS OF MILITARY CARGO WERE SHIPPED PER DAY BY THIS COMPANY ALONE IN SUPPORT OF OUR MILITARY PRESENCE IN THE PERSIAN GULF.

CERTAINLY, MAINTENANCE OF INTERSTATE SYSTEMS, WHICH OVER THE YEARS COST MORE THAN $13 BILLION TO CONSTRUCT, MUST BE PARAMOUNT IN OUR INFRASTRUCTURE NEEDS.

ON THE COMMERCIAL SIDE, A USEFUL ILLUSTRATION MIGHT BE HELPFUL.

THIS COMPANY IS ONE OF THE NATION'S FOREMOST HAULERS IN THE AREAS OF SPECIALIZED, OVER-DIMENSIONAL COMMODITIES.

AFTER RESEARCHING THE CURRENT HIGHWAY SYSTEM WITH OUR OVER-DIMENSIONAL SPECIALISTS AT TRI-STATE, WE DISCOVERED THAT A RAPID DETERIORATION OF THE EASTERN SEABOARD INTERSTATE SYSTEM IS BECOMING EVIDENT.

BEING THE FIRST AND OLDEST OF THE INTERSTATES, IT IS NOT SURPRISING THAT THEY ARE ALSO THE MOST DILAPIDATED AND BECAUSE OF THIS, AN EROSION IMPACT HAS BEEN FELT.

FOR EXAMPLE, OUR RESEARCH INDICATES THAT IN THE PAST 2 YEARS, I-79 HAS BEEN SHUT TO OVER-DIMENSIONAL TRAFFIC AT 3 POINTS IN WEST VIRGINIA, I-64 HAS BEEN SHUT TO O.D. TRAFFIC IN WEST VIRGINIA, SECTIONS OF INTERSTATE 64 IN EASTERN KENTUCKY CANNOT ACCOMODATE OVER-DIMENSIONAL TRAFFIC, SECTIONS OF INTERSTATE 70 REROUTING HAS CAUSED HUNDREDS AND HUNDREDS OF MILES OF DETOURS. THERE ARE SEVERAL OTHER EXAMPLES.

MOST OF THESE RESTRICTIONS HAVE BEEN RECENT, AND ARE THE RESULT OF SIMPLE DECAY. LITERALLY, SOME AREAS OF THE NORTHEAST CANNOT ANY LONGER BE REACHED WITH OVER-DIMENSIONAL CARGO. OUR ESTIMATES ARE THAT WE HAVE TO REFUSE 15 TO 20 PERCENT OF THE SHIPPING REQUESTS TO THE NORTHEAST BECAUSE OF THESE RESTRICTIONS, THEREBY HAMPERING MIDWESTERN AND WESTERN SHIPPERS WISHING TO SERVE THE EASTERN SEABOARD.

BY ENDORSING THE BASIC PURVIEW OF, THE ATA'S CALL FOR A "HIGHWAY SYSTEM OF NATIONAL SIGNIFICANCE", NOT ONLY THE INTERSTATE SYSTEM COULD BE ENHANCED, BUT OTHER NATIONAL

ARTERIAL SYSTEM ROUTINGS COULD BE JUSTIFIABLY IMPROVED AS WELL.

THIS ASPECT OF THE NEWLY PROPOSED HIGHWAY PROGRAM WOULD ALLOW FOR PROJECTS SUCH AS THE HIGHWAY 71, 4-LANE PROJECT WHICH COULD PROVIDE A VASTLY NEEDED NORTH-SOUTH ARTERIAL ROUTE FROM SOUTH TEXAS TO THE CANADIAN BORDER. THIS IS A PROJECT NEAR AND DEAR TO OUR HEARTS, GIVEN OUR PROXIMITY TO THE CURRENT 71 HIGHWAY.

SOME FIND IT IRONIC THAT WHILE IT WOULD APPEAR THAT THIS PARTICULAR U.S. HIGHWAY ROUTING WOULD BE HEAVILY TRAVELED BY OUR COMPANY, SUCH IS NOT THE CASE. FOR INSTANCE, DUE TO HEAVY CONGESTION ON ITS 2-LANE PORTIONS, AND THE LACK OF LIMITED ACCESS, TRI-STATE REFUSES TO USE THIS ARTERY SOUTH OF JOPLIN FOR EXPLOSIVE SHIPMENTS, EVEN THOUGH IT IS AN ACCEPTABLE ROUTE.

FOR SAFETY CONCERNS, WE OPT INSTEAD TO UTILIZE THE INDIAN NATIONS TURNPIKE IN WESTERN OKLAHOMA, EVEN THOUGH IT RESULTS IN COSTLY HOURS OUT OF ROUTE.

FOR THE SAME REASONS, AND DUE TO MANY OLDER RAILROAD OVERPASSES AND OTHER OVERHANGING STRUCTURES, FEW OVER-DIMENSIONAL--OVER-HEIGHTH LOADS CAN BE USED ON THIS CORRIDOR AS WELL.

ALL OF US WHO ARE INVOLVED IN LONG-DISTANCE TRUCKING IN THE AREA SUPPORT THE 4-LANE 71 PROJECT OR THE "INTERSTATE 59" PROJECT AS IT IS CALLED IN THE SOUTHERN STATES. IT IS, HOWEVER, BUT ONE OF SEVERAL OTHER POTENTIAL EXAMPLES OF MUCH

NEEDED U.S. ARTERIAL IMPROVEMENTS WHICH COULD BE AFFECTED UNDER A NEW HIGHWAY PLAN.

IN CLOSING, I WOULD LIKE TO THANK THIS HONORABLE PANEL FOR THE OPPORTUNITY TO EXPRESS SOME OF OUR INDUSTRY'S CONCERN.

ADDITIONS TO THE RECORD

County of GREENE State of Missouri

GREENE COUNTY COMMISSION
940 Boonville Avenue
SPRINGFIELD, MO 65802

Office of
H. C. "MIKE" COMPTON
Presiding Commissioner

DAVID L. COONROD
Commissioner 1st District

JIM PAYNE
Commissioner 2nd District

August 30, 1990

The Honorable Mel Hancock
United States Representative
511 Cannon House Office Building
Washington, D.C. 20517

RE: United States House of Representatives Public Works
and Transportation Committee Field Hearing

Dear Congressman Hancock:

At present, septic tank usage, municipal and industrial rainfall runoff, sewage treatment plant discharges, landfill sitting and leachate, and other related water quality issues are being treated separately by local and county governments. Public concern over water quality is high and is also generally treating these various, interrelated issues as if they were separate. These issues need to be addressed in a systematic fashion by all levels of government.

In the late 1980's, under authority in the Water Resources Development Act of 1986, the U.S. Army Corps of Engineers did a study of the Beaver Lake drainage in northwest Arkansas. Based on the data developed, they recommended various changes that could be made to improve water quality in that area.

Quite a bit of historic water quality data has been collected in Southwest Missouri by various federal and state agencies. In Greene County we are actively pursuing water quality investigations on several fronts--including wellhead protection studies and inventories, underground storage tank removal and certification, watershed protection and preservation, area wide wastewater facilities planning, and stormwater quality management. Other studies are in development stages in surrounding counties, but unfortunately this information is somewhat piecemeal and uncoordinated. We are looking for a program from which a coordinated effort may emenate.

Present and projected impacts on water quality in this region from rapid growth in agribusiness, recreation, retirement and major population centers needs to be determined. Local and County governments need this data catalogued and developed in a systematic manner so they can make comprehensive planning and decisions based on factual information.

The Honorable Mel Hancock
August 30, 1990
Page 2

Commissioners from several counties in this area of Missouri have met with representatives from the Corps of Engineers and discussed this matter. They explained that the water quality study of Beaver Lake was a result of public involvement with their congressional delegation. We are very interested in getting this kind of help in addressing our regional water quality concerns.

Sincerely,

H Compton

H. C. "Mike" Compton
Presiding Commissioner

David L Counrod

David L. Counrod
Commissioner 1st District

Jim Payne

Jim Payne
Commissioner 2nd District

TESTIMONY SUBMITTED BY
THE MISSOURI ASSOCIATION OF COUNTIES
BEFORE THE U.S. HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

"THE FUTURE OF OUR NATION'S INFRASTRUCTURE"

Springfield, Missouri
August 31, 1990

Mr. Chairman, and honorable members of the House Committee on Public Works and Transportation, the Missouri Association of Counties is extremely pleased to have the opportunity to provide input into your field hearings on the nation's infrastructure. While we recognize that the committee will be looking at all aspects of the country's infrastructure, our comments will be focused on Missouri's large county transportation network -- a network that is literally crumbling before our eyes.

Missouri county government has an enormous responsibility in attempting to maintain the largest transportation network in the state. Counties are responsible for approximately 70,000 miles of road (roughly 60% of all roads in the state) and 12,800 "off-system" bridges over 20 feet in length (55% of all bridges over 20 feet long in the state). The county bridge system is in a particularly dangerous condition. Based on federal criteria, 94% of these bridges are either structurally deficient or functionally obsolete. Many have been closed due to age and wear and a number have simply collapsed from decay. County bridges, while not carrying vast amounts of traffic, nonetheless are vital links in the overall transportation network. They connect rural and urban areas, carry school buses and emergency vehicles, and transport agricultural products from farm to market. These products are vital to the economic well-being of the state as a whole. Economic development, tourism, and agriculture industries are extremely dependent on a well-maintained transportation system. Missouri ranks 17th in the country in tourism and 10th nationally in exporting agricultural commodities. If the county bridge system is not rebuilt, these very important industries and Missouri's overall economy will certainly suffer.

In terms of dollars, the Missouri county "off-system" bridge network alone needs an **ADDITIONAL $120 MILLION ANNUALLY OVER THE NEXT TEN YEARS** just to "catch up" with the incredible backlog of bridgework. The state as a whole will need almost **FIVE TIMES** that much over the same period to meet unfunded highway needs. Clearly, state and local officials will not have the luxury of seeing those kinds of revenues forthcoming. That being the case, it is imperative that the revenues that are available are spent in the most prudent and equitable manner possible.

Federal mandates are, however, making it difficult for county officials to get the most out of the money that is available. "National Bridge Inspection Standards" recently imposed by the Federal Highway Administration are a prime example of the unfunded mandate issue. The new standards require political entities to identify and then inspect fracture critical and scour critical bridges. The required inspections could conceivably take the vast majority of the federal bridge monies allocated to counties (currently $13 million annually), thereby leaving virtually nothing for actual bridge repair and replacement.

Another problem area is the inability of many counties to come up with the necessary match money needed for an 80/20 federal highway project under the federal bridge replacement program. While progress has been made since the inception of the program, building a bridge under federal constraints is an extremely slow and cumbersome process. Common criticisms from local officials include (1) excessive paperwork which commonly causes the time to complete a bridge to exceed three years; (2) costs under the federal program are excessive and exceed the cost of an identical nonprogram bridge by 33 percent; and (3) the Davis-Bacon Act which has a tendency to inflate the cost of county projects. Considering the critical shortage of highway funds, it is unacceptable to waste both time and money on bureaucratic red tape. A relaxation of cumbersome federal standards and a greater amount of local flexibility in the spending of available federal funds would be a tremendous step in the right direction.

It is refreshing to note that the U.S. Department of Transportation apparently agrees with our view. In Moving America, a statement of national transportation policy issued in February of this year, the department cited the fostering of state and local initiatives as a means to an end of providing a sound financial base for transportation: "The federal government must provide additional flexibility to state and local governments in making use of federal transportation funds.... Rigid federal standards governing the way that federal-aid monies can be used or the specific way that federal-aid facilities must be built can impose unnecessary costs and prevent state and local governments from pursuing the most cost-effective options."

Mr. Chairman, your committee and the members of the U.S. Congress will consider the reauthorization of the Federal Surface Transportation Act within the next year. We respectfully ask that Congress act in a timely fashion by reauthorizing a new act prior to the October 1, 1991, deadline. The needs are simply too great not to do so. The American Association of State Highway and Transportation Officials (AASHTO) and the Federal Highway Administration (FHWA) are presently working on what will hopefully be the next federal highway act. The AASHTO plan would reallocate some of these federal highway funds and give Missouri approximately $200 million more per year in badly needed revenues. Missourians currently pay 2.6% of all federal motor fuel tax revenues collected, yet our state receives a great deal less than what our motorists invest. In fact, Missouri has gotten back at least what it has paid in only twice in the last 30 years. Missouri is a transportation "hub" with numerous interstate and major highways transversing our borders. According to a recent TRIP (The Road Information Program) study, Missouri ranks first in the number of vehicle miles traveled in the seven state West North Central Region.

Clearly our significant state and local needs warrant an increased allocation, to say nothing of the fact that it is time that Missouri receives its fair share.

Mr.Chairman, we know that you and your colleagues in Congress are faced with meeting very difficult federal budget targets in the next thirty days. We are fully aware that the federal deficit problem is of grave concern and that drastic steps need to be taken to reduce the deficit. However, we do not believe that the money in the Highway Trust Fund should be "held hostage" for deficit-reduction purposes, nor do we believe that an increase in the federal gasoline tax should be used to help offset the national debt. The Missouri Association of Counties is on record in opposition to the latter (see attachment A). Any increase in the motor fuel tax must be spent for what it was intended -- highway and bridge improvements. Likewise, a sequestration of highway funds in an attempt to meet deficit reduction targets by October 1 of this year would be crippling to transportation efforts not only in our state, but across the nation. WE STRONGLY urge you to look at other options.

Mr. Chairman, the cost of inaction is far too great. The state and local highway system in Missouri CANNOT withstand another period of neglect. We respectfully ask that you take the necessary action to see that adequate federal highway funds are forthcoming in the critical years ahead. Thank you for your consideration.

ATTATCHMENT A

RESOLUTION IN OPPOSITION TO INCREASING THE FEDERAL GASOLINE TAX TO REDUCE THE FEDERAL DEFICIT

WHEREAS, there continue to be proposals introduced in the United States Congress to seek increased federal motor fuel taxes to help reduce the federal deficit, and

WHEREAS, such proposals would be devastating to the viability of the Highway Trust Fund and to local road and bridge programs financed to a large extent from dedicated motor fuel taxes, and

WHEREAS, such proposals would destroy the long-standing concept of motor fuel taxation as a direct user fee dedicated to transportation improvement, and

WHEREAS, federal tax increases on motor fuel serve to preclude voter approval of needed state motor fuel tax increases,

THEREFORE, BE IT RESOLVED, the Missouri Association of Counties does hereby go on record as being opposed to raising the federal motor fuel tax for deficit reduction purposes and urges the members of the Missouri Congressional delegation to oppose this idea and support continued dedication of all federal motor fuel tax revenues to the Highway Trust Fund, and

BE IT FURTHER RESOLVED, that the executive director of the Association be requested to furnish a copy of this resolution to each member of the Missouri Congressional delegation and the board of directors of the National Association of Counties.

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

SATURDAY, SEPTEMBER 8, 1990

HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Springdale, AR.

The committee met, pursuant to notice, at 9 a.m., in Salon C, Holiday Inn, Springdale, AR, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present. Representatives Anderson, Roe, Mineta, Rahall, Laughlin, Hammerschmidt, Shuster, McEwen, Petri, Packard, Lightfoot, Inhofe, Emerson, and Hancock.

The CHAIRMAN. Good morning. The Committee on Public Works and Transportation Regional Hearing on the future of our Nation's infrastructure will come to order.

It is a great pleasure for our Committee to be here in Northwest Arkansas today. We will be hearing testimony from an impressive group of witnesses, and I know that this is going to be an extremely productive hearing, and before I yield to my colleague from Arkansas, Congressman John Paul Hammerschmidt, I just want to express my appreciation to him for his continuing leadership and valuable contributions to the Committee's efforts to address our Nation's pressing infrastructure needs.

I especially want to thank him for recommending back in February that we hold this hearing in Northwest Arkansas. It is a perfect setting for us to look at the infrastructure in a rapid growth region of rural America, and of course, no one would know that better than John Paul Hammerschmidt.

For more than two decades, he has been extremely attentive to the needs of this area, and I can see why Highway 71 receives so much attention in Washington, when ordinarily such a project would be almost exclusively a state responsibility. Congressman Hammerschmidt has seen to it that the project is a federal priority as well, and one that enjoys full federal support. I can also fully understand why both Houses of the Arkansas Legislature unanimously passed, and the Governor signed into law, legislation naming Highway 71 for Congressman John Paul Hammerschmidt. After all that he has done for this very important project, it is certainly appropriate that the highway should bear his name.

As much as John Paul has done for this District, the State of Arkansas, and our Nation, there is something I would be remiss if I did not add, and that is that John Paul Hammerschmidt is a great and good friend of mine of long-standing. He is warm and decent, and a fine individual, and I'm certain that these qualities and the fact that all who know him consider him a friend, have helped him to be the outstanding legislator that he is, and to achieve all that he has achieved.

Therefore, at this time, I am pleased to recognize my good friend, the Honorable John Paul Hammerschmidt, who will introduce the Members of the committee with us today.

John Paul?

Mr. HAMMERSCHMIDT. Thank you very much, Mr. Chairman. I deeply appreciate your very generous remarks, and I want to thank you and the other Members of the Public Works and Transportation Committee who have taken time out of their schedules to attend today's hearings and to enjoy some of Arkansas' good hospitality.

Normally, we don't introduce Members, we just introduce witnesses, but we are going to make an exception today, so I will introduce the Chairman and ranking Members first, and as I introduce each Member, it would be helpful for our audience if you would raise your hand.

Joining us today are, of course, our fine Chairman Congressman Glenn Anderson from Hawthorne, California. Chairman Anderson has served on our committee with great distinction for more than two decades. He has provided great leadership in developing our committee's very substantial record in support of a strong national public works and transportation infrastructure. Mr. Chairman.

Congressman Bob Roe of Wayne, New Jersey, is one of the most senior Members of the committee. He has served very ably for many years as Chairman of our Water Resources Subcommittee, and is now the distinguished Chairman of the House Science, Space and Technology Committee. Bob.

Mr. ROE. Thank you.

Mr. HAMMERSCHMIDT. Congressman Norm Mineta of San Jose, California, has long been a prominent and highly respected leader on our committee. He has served for a number of years as Chairman of our Aviation Subcommittee and is now Chairman of our Surface Transportation Subcommittee. Norm.

Congressman Bud Shuster of Everett, Pennsylvania, is another of our very distinguished senior Members. He has served very effectively as the ranking Member of our Surface Transportation Subcommittee for the past 15 years.

Congressman Nick Joe Rahall of Beckley, West Virginia, is one of our senior Members who serves on our Surface Transportation and Economic Development Subcommittee. He also chairs the Mining and Natural Resources Subcommittee of the House Interior and Ancillary Affairs Committee. Nick Joe.

Congressman Bob McEwen of Hillsboro, Ohio, is a very skillful ranking Member on our Investigation and Oversight Subcommittee. He has previously served as a ranking Member on the Public Buildings and Grounds Subcommittee.

Congressman Tom Petri of Fond Du Lac, Wisconsin, is our very able ranking Member on the Public Buildings and Grounds Subcommittee.

Congressman Ron Packard of Ocean Side, California, is a greatly respected ranking Member on our Economic Development Subcommittee.

Congressman Jim Ross Lightfoot of Shenandoah, Iowa, serves very effectively on our Aviation, Water Resources, and Public Buildings and Grounds Subcommittee.

Congressman Greg Laughlin from West Columbia, Texas, is an important Member of our Aviation, Surface Transportation and Water Resources Subcommittee.

Congressman Jim Inhofe, our neighbor from Tulsa, Oklahoma, former Mayor there, is a very capable Member of our Aviation Investigation and Oversight Public Buildings and Grounds and Water Resources Subcommittee.

Congressman Bill Emerson is another neighbor from Cape Girardeau, Missouri. He serves with great distinction on our Economic Development Surface Transportation and Water Resources Subcommittee.

And last, but certainly not least, Congressman Mel Hancock from nearby Springfield, Missouri, our neighbor to the north, is a very valuable Member of our Aviation and Surface Transportation and Water Resources Subcommittee.

So, I'm delighted that my colleagues have joined us today. I'm confident that this will be a very productive hearing for all of us, Mr. Chairman, and I thank you very much.

[The prepared statement of Mr. Hammerschmidt follows:]

REMARKS BY HON. JOHN PAUL HAMMERSCHMIDT
INFRASTRUCTURE NEEDS HEARING
SPRINGDALE, ARKANSAS
SEPTEMBER 8, 1990

THANK YOU, MR. CHAIRMAN.

I WANT TO COMMEND YOU FOR YOUR STRONG LEADERSHIP IN SETTING OUR COMMITTEE'S ACTIVE AGENDA TO ADDRESS THE NATION'S INFRASTRUCTURE NEEDS AND FOR SCHEDULING TODAY'S HEARING. AGAIN, I WANT TO WELCOME MY COMMITTEE COLLEAGUES AND THE DISTINGUISHED WITNESSES WHO WILL BE TESTIFYING, AND ALL OF OUR GUESTS IN THE AUDIENCE TODAY.

WHEN CHAIRMAN ANDERSON AND I FIRST DISCUSSED THIS SERIES OF HEARINGS EARLIER THIS YEAR, WE AGREED THAT IN ADDITION TO OUR EXAMINATION OF URBAN INFRASTRUCTURE NEEDS, IT WOULD BE IMPORTANT AS WELL THAT WE LOOK INTO THE INFRASTRUCTURE NEEDS OF RURAL AMERICA. AND WE ARE DOING JUST THAT.

IN FACT, OUT OF THE 15 OR SO INFRASTRUCTURE HEARINGS WE ARE HOLDING NATIONALLY, THREE OF THOSE ARE IN THIS REGION, WHICH IS LARGELY RURAL AND HAS COMMON INTERESTS. TODAY'S HEARING IS ACTUALLY THE CULMINATION OF THIS SET OF HEARINGS, WHICH WE BEGAN SOME 10 DAYS AGO IN TULSA, OKLAHOMA, AND SPRINGFIELD, MISSOURI, WHICH ARE SO ABLY REPRESENTED BY CONGRESSMAN JIM INHOFE AND CONGRESSMAN MEL HANCOCK RESPECTIVELY.

I SUGGESTED THAT WE COME TO NORTHWEST ARKANSAS BECAUSE I FELT THAT IT WOULD BE IDEAL FOR OUR PURPOSES. IT IS A VIBRANT REGION OF THE NATION AND LARGELY RURAL, WITH A GROWTH RATE THAT HAS ACTUALLY OUTSTRIPPED ITS INFRASTRUCTURE.

MR. CHAIRMAN, YOU HAVE VERY ABLY OUTLINED OUR NATIONAL GOALS WITH RESPECT TO REBUILDING THE NATION'S INFRASTRUCTURE, AND I CERTAINLY SHARE YOUR CONCERN ABOUT THE LEVEL OF DETERIORATION IN AMERICA'S NETWORK OF ROADS, BRIDGES, AIRPORTS, AND WATER SUPPLY, SEWAGE TREATMENT AND SOLID WASTE DISPOSAL FACILITIES. WE HAVE AN ENORMOUS JOB AHEAD OF US NATIONWIDE, AND ONE THAT WILL REQUIRE A MAJOR FINANCIAL INVESTMENT.

HERE IN ARKANSAS, WE WILL BE LOOKING AT THE CORE INFRASTRUCTURE NEEDS--SURFACE TRANSPORTATION, AVIATION, WATER RESOURCES, WATER POLLUTION, AND SOLID WASTE DISPOSAL. WE WANT TO BE ABLE TO MEET ALL OF OUR NEEDS IN EACH OF THESE AREAS AND IN A MANNER THAT IS FISCALLY SOUND AND ENVIRONMENTALLY RESPONSIBLE. FORTUNATELY, AS WE STRIVE TO MEET THESE NEEDS, WE DO HAVE IN PLACE AND AT WORK A STRONG FEDERAL-STATE-LOCAL AND PRIVATE PARTNERSHIP HERE IN ARKANSAS.

AT THE STATE LEVEL, THE STATE HIGHWAY COMMISSION, THE ARKANSAS HIGHWAY AND TRANSPORTATION DEPARTMENT, THE ARKANSAS AERONAUTICS COMMISSION, THE DEPARTMENT OF AERONAUTICS, THE SOIL

AND WATER RESOURCES COMMISSION, AND THE ECONOMIC DEVELOPMENT DISTRICTS DO A TREMENDOUS JOB IN DEVELOPING AND IMPROVING THE STATE'S INFRASTRUCTURE.

A NUMBER OF FEDERAL AGENCIES ALSO PLAY AN IMPORTANT ROLE IN INFRASTRUCTURE BUILDING AND REBUILDING, INCLUDING THE FEDERAL HIGHWAY ADMINISTRATION, FEDERAL AVIATION ADMINISTRATION, SOIL CONSERVATION SERVICE, CORPS OF ENGINEERS, ENVIRONMENTAL PROTECTION AGENCY, AND THE FARMERS HOME ADMINISTRATION.

OUR LOCAL CITY AND COUNTY GOVERNMENTS AND CHAMBERS OF COMMERCE ARE ALSO ON THE FRONT LINES IN THIS EFFORT. AND THEY GET EXTREMELY IMPORTANT SUPPORT FROM THE MANY CONCERNED CITIZENS IN THE PRIVATE SECTOR, WHO ARE ALSO ACTIVELY INVOLVED IN THE PROCESS.

IN THAT REGARD, WE ARE ESPECIALLY DELIGHTED TO HAVE WITH US TODAY MEMBERS OF THE NORTHWEST ARKANSAS COUNCIL, A NEWLY FORMED REGIONAL ORGANIZATION THAT IS WORKING HARD FOR AN IMPROVED TRANSPORTATION SYSTEM IN THIS REGION. THE DISTINGUISHED COUNCIL MEMBERS JOINING US TODAY INCLUDE DON TYSON, SAM WALTON, J.B. HUNT, ALICE WALTON, AND JIM BLAIR.

IN FACT, ALL LEVELS OF GOVERNMENT AND THE PRIVATE SECTOR WILL BE REPRESENTED AT THE WITNESS TABLE TODAY. JOINING US FROM WASHINGTON ARE DR. THOMAS LARSON, ADMINISTRATOR OF THE FEDERAL HIGHWAY ADMINISTRATION, AND LEONARD GRIGGS, ASSOCIATE ADMINISTRATOR FOR AIRPORTS WITH THE FAA; AND FROM DALLAS, BRIG. GEN. STANLEY GENEGA, THE CORPS OF ENGINEERS' SOUTHWEST DIVISION ENGINEER.

WE KNOW, OF COURSE, THAT THIS COMMITTEE HAS NOT COME TO ARKANSAS TO SOLVE ALL OF OUR STATE'S INFRASTRUCTURE PROBLEMS. THESE PROBLEMS ARE NOW PRIMARILY UNDER THE AUTHORITY OF STATE AGENCIES, ALTHOUGH WE HAVE MAJOR FEDERAL PROGRAMS THAT PROVIDE STATES WITH ASSISTANCE TO HELP IN ALL OF THESE AREAS. THIS HEARING IS REALLY PART OF AN EFFORT TO DEVELOP AN OVERALL NATIONAL STRATEGY ON HOW TO BEST IMPROVE AND MAINTAIN OUR NATION'S INFRASTRUCTURE.

HOWEVER, I KNOW THAT LOCALLY, INTEREST HAS BEEN EXPRESSED IN PURSUING THE FEASIBILITY OF A REGIONAL AIRPORT, AND CERTAINLY THIS MIGHT BE AN IDEAL PLACE FOR THE FEDERAL GOVERNMENT TO BE CLOSELY INVOLVED IN PLANNING AND FINANCING.

IN ADDITION, THE COMMITTEE WILL BE TAKING A CLOSER LOOK AT SURFACE TRANSPORTATION IN NORTHWEST ARKANSAS DURING THE HEARING WE HAVE SCHEDULED FOR EARLY NEXT MONTH IN FORT SMITH.

THAT HEARING WILL ALLOW THE ADDITIONAL OPPORTUNITY TO DISCUSS A NUMBER OF ISSUES THAT I KNOW WILL BE BROUGHT UP HERE TODAY, INCLUDING THE HIGHWAY 71 CORRIDOR, WHICH RUNS FROM I-40 NORTH TO THE ARKANSAS-MISSOURI STATE LINE, AND THE HIGHWAY 412 CORRIDOR, THE EAST-WEST FOUR-LANE ROUTE THAT CROSSES THE NORTHERN PART OF ARKANSAS.

I ESPECIALLY WANT TO CONGRATULATE THE ARKANSAS HIGHWAY DEPARTMENT ON THE GREAT PROGRESS THEY HAVE MADE AND THE AMOUNT OF FUNDING THEY HAVE BEEN ABLE TO DEVOTE TO HIGHWAY 71, GIVEN THE ADDITIONAL FUNDS THAT HAVE BEEN MADE AVAILABLE TO ARKANSAS BY THE FEDERAL GOVERNMENT IN RECENT YEARS.

I ALSO WANT TO COMMEND THE DEPARTMENT FOR USING ALL OF THEIR OBLIGATIONAL AUTHORITY IN 1990, WHICH ALLOWED THE STATE TO RECEIVE AN ADDITIONAL $7 MILLION IN REDISTRIBUTED OBLIGATIONAL AUTHORITY IN AUGUST.

NEXT MONTH'S FORT SMITH HEARING WILL BE ANOTHER IN THE SERIES OF SUCH HEARINGS BEING CONDUCTED BY OUR SURFACE TRANSPORTATION SUBCOMMITTEE IN PREPARATION FOR DRAFTING THE NEXT MAJOR HIGHWAY BILL.

I MIGHT ADD THAT IN THAT HEARING, AS WELL AS TODAY'S HEARING, WE WILL BE LOOKING AT NEW AND INNOVATIVE WAYS TO FINANCE OUR INFRASTRUCTURE NEEDS. ONE OPTION WOULD BE TO ALLOW THE USE OF TOLLS ON NEW FEDERAL-AID HIGHWAYS. ALLOWING SUCH TOLLS ON NEW HIGHWAYS MAY BE ONE OF THE WAYS TO MEET THE NEED FOR NEW HIGHWAY CONSTRUCTION, ESPECIALLY GIVEN THE CURRENT BUDGETARY CONSTRAINTS. I SEE A GREAT DEAL OF MERIT IN THIS, AND I AM ACTIVELY PURSUING THE POSSIBILITY OF HAVING THIS CONCEPT INCLUDED IN NEXT YEAR'S HIGHWAY REAUTHORIZATION BILL.

AGAIN, I WANT TO THANK YOU, MR. CHAIRMAN, FOR CONVENING THIS HEARING TODAY, AND I LOOK FORWARD TO HEARING THE TESTIMONY OF OUR DISTINGUISHED WITNESSES.

The **Chairman**. Thank you, John Paul, and I, too, want to join with you on welcoming so many Members to this morning's hearing. It is truly a testament, not only to the infrastructure issue itself, but to your leadership and hard work in making this hearing possible, and inviting us.

Now, this year our Committee has been examining many aspects of the infrastructure issue, seeking a better understanding about our Nation's public work crisis.

We have explored emerging infrastructure needs from the national perspective, and reviewed the impact of infrastructure on private investment and on the ability of the United States to compete in international markets. We also plan to look at infrastructure financing alternatives and new technologies.

It is important, however, that we understand the kinds of infrastructure problems that are being experienced at the local levels, and so we have embarked on a series of hearings at various sites around the Nation to talk with you, the people most directly involved with our infrastructure.

Let me tell you why infrastructure is a national priority, and the answer is, our economy.

The United States is fifty-fifth in the world in capital investment. Japan spends five times more than we do on infrastructure, and West Germany's annual productivity rate is three times our's.

Infrastructure is not just potholes, it's productivity. Infrastructure is not only concrete, it's competitiveness—yet what we see today is a system of peril and not pride.

Sixty percent of our highways and 41 percent of our bridges are in need of work. Traffic congestion has increased over 50 percent in the last 10 years. In our Nation's largest urban areas, two billion hours of time are lost annually, and if you're delayed 20 minutes each day in rush hour, by the end of your career, you will have wasted two working years.

By the year 2000, traffic delays caused by inadequate roads, will cost $50 billion in lost wages on wasted gasoline.

No new airport has been built in this country since 1974.

Many of our urban water systems are over 100 years old and lose as much water as they move.

Countless jobs are being lost and, according to the Rebuild America Coalition, in Arkansas alone, 17 percent of all paved rural highway miles in the state, 14 percent of urban highways and streets, and 25 percent of highway bridges are rated as deficient, and it's not just highways or bridges, and it's not just Arkansas. This is a national problem of alarming dimensions.

Because of this, we are looking to you to help us to gain further insight into our infrastructure needs.

The question today is, what is the condition of the infrastructure in Arkansas, particularly this region of the state? Are your roads, bridges, public buildings, sewers, waste water treatment plants, water supply facilities, and other basic services, adequate to meet the current and anticipated needs of this area, and if not, what can be done, and by whom?

We look forward to today's hearing to answer these and other questions.

Now, I would like to recognize other Members for brief opening remarks that they may wish to make.

Mr. MINETA. Mr. Chairman, if I might?

The CHAIRMAN. Mr. Mineta?

Mr. MINETA. Is Mr. Hammerschmidt going to make opening remarks other than——

The CHAIRMAN. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. I yield to the distinguished gentleman from California, and then I'll make mine.

Mr. MINETA. Thank you very much.

Mr. Chairman, I want to applaud you for your leadership for holding these hearings, but frankly, the fact that there are 14 Members of the Congress who have come to Springdale, is really a reflection of the love and respect frankly that we have for Congressman John Paul Hammerschmidt. You wouldn't have this kind of a turnout for any other Member of Congress.

Mr. Chairman, as you have already pointed out, our Nation's infrastructure must be prevented from crumbling into ruins.

As the Public Works and Transportation Committee deliberates the status of America's infrastructure, we will be focusing on how to preserve our Nation's competitiveness in an international global marketplace, and more importantly, trying to preserve our quality of life into the twenty-first century.

The key question that must be answered is, what must the Congress do to rebuild America? Today, we take that first step toward finding the solution.

A sound American infrastructure is absolutely essential, if the United States is to flourish in the 1990's and into the twenty-first century. A sound American infrastructure will bolster our international competitiveness, foster economic development in terms of state and Local Government, improve public safety, and enhance our public quality of life.

When we mention infrastructure, the tendency is to think roads, bridges, mass transportation, airports, waterways, water supply, waste water treatment and solid waste disposal systems. However, make no mistake about it, an essential element of the Nation's infrastructure will focus on a sound network of transportation system.

Meeting our transportation needs is a substantial challenge. We are not only concerned about the future, but about playing catch-up ball on the Nation's unmet needs.

Net public investment by local, state and Federal Government, in terms of transportation infrastructure, averaged 2.3 percent of GNP in the 1960 and the 1970's. In the 1980's, that dropped to four-tenths of one percent.

Meanwhile, urban and rural traffic congestion has increased by over 50 percent since 1980, and what's worse is that a recent study by the General Accounting Office, predicts that delays on urban freeways will increase 436 percent by the year 2005, and then you take areas that are starting to develop like the northwest area of Arkansas, and you see the rapid growth here, and then you wonder, is there any reason why the kinds of problems we're facing are not only local but national in terms of half of our bridges being deficient or functionally obsolete.

More than a million miles of highways will need to be resurfaced in the next 10 years alone, and all the while, Federal Highway expenditures have been on the decline, and so we have to reverse that also in terms of mass transit funding.

Under funding these programs may have made sense in terms of some short term fiscal relief, but over the long haul, we have crippled our ability to compete by inadvertently denying America's businesses and the American people to a fully functional transportation system.

The bottom line is this. We must invest and invest quickly and wisely in our transportation infrastructure before it is too late, and that is why so many of our Subcommittee Members from the Subcommittee on Surface Transportation are participating in these hearings, Mr. Chairman, with you, and with Mr. Hammerschmidt, because our Subcommittee, with the great help of my very very fine colleague, Congressman Bud Shuster of Pennsylvania, will continue under your leadership, Mr. Chairman, and Mr. Hammerschmidt, to develop comprehensive legislation to reauthorize the Surface Transportation Program for the twenty-first century, and our focus will be on preserving our Nation's infrastructure.

The truth is, Mr. Chairman, that we must invest in the future if we are to compete in the world marketplace.

Again, Mr. Chairman, to you and Mr. Hammerschmidt, my thanks for your leadership in having these hearings across the country.

The CHAIRMAN. Thank you, Norm. John Paul?

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. Let me digress for a moment by apologizing to those of you standing in the back of the room, because this is the largest room we could get. I'm sorry that we don't have seats for everyone. We appreciate your attendance very much.

If the witnesses and others will bear with us for a few minutes, we've got a few opening statements, and I have two or three minutes of opening statement remarks. But then after that, we're going to be good listeners, because we know we have some very important people to listen to.

I want to thank you my distinguished friend from San Jose, California, Mr. Mineta, for his kind remarks, and to comment--I don't know whether—I don't—I'm doing this without his permission, but tentatively we have some Surface Transportation hearings set up here in Arkansas for October 6th if nothing slips, and things in Congress have a way of slipping. But if nothing slips, why we're looking forward to his leadership on those hearings in Fort Smith on October 6th. So, we will be pursuing the Surface Transportation segment of infrastructure further, at that time.

Mr. Chairman, I want to commend you for your strong leadership in setting our committee active Agency to address the Nation's infrastructure needs and for scheduling today's hearings. Again, I want to welcome my committee colleagues and the distinguished witnesses who will be testifying, and all of our guests in the audience today.

When Chairman Anderson and I first discussed this series of hearings earlier this year, we agreed that in addition to our examination of urban infrastructure needs, it would be important as well that we look into the infrastructure needs of rural America. And we are doing just that.

In fact, out of the 15 or so infrastructure hearings we are holding nationally, three of those are in this region, which is largely rural and which has common interests. Today's hearing is actually the culmination of this set of hearings which we began some 10 days ago in Tulsa, Oklahoma, and Springfield, Missouri, which were so ably represented by Congressman Jim Inhofe and Congressman Mel Hancock, respectively.

So, I suggested that we come to Northwest Arkansas because I felt that it would be ideal for our purposes. It is a vibrant region of the Nation, large rural, with a growth rate that has actually outstripped its infrastructure.

Mr. Chairman, you have very ably outlined our national goals with respect to rebuilding the Nation's infrastructure, and I certainly share your concern about the level of deterioration in America's network of roads, bridges, airports, and water supply, sewage treatment and solid waste disposal facilities. We have an enormous job ahead of us nationwide, and one that will require a major financial investment.

Here in Arkansas, we will be looking at the core infrastructure needs—surface transportation, aviation, water resources, water pollution, and solid waste disposal. We want to be able to meet all of our needs in each of these areas, and in a manner that is fiscally sound and environmentally responsible. Fortunately, as we strive to meet these needs, we do have in place and at work, a strong federal, state, local and private partnership here in Arkansas.

At the state level, the State Highway Commission, the Arkansas Highway and Transportation Department, the Arkansas Aeronautics Commission, the Department of Aeronautics, the Soil and Water Resources Commission, and the Economic Development Districts do a tremendous job in developing and improving the state's infrastructure.

A number of federal agencies also play an important role in infrastructure building and rebuilding, including the Federal Highway Administration, the Federal Aviation Administration, the Soil Conservation Service, the Corps of Engineers, the Environmental Protection Agency, and the Farmers Home Administration. Our Local, City and County Governments and Chambers of Commerce are also on the front lines in this effort, and they get extremely important support from the many concerned citizens in the private sector, who are also actively involved in the process.

In that regard, we are especially delighted to have with us today, members of the Northwest Arkansas Council, a newly formed regional organization that is working hard for an improved transportation system in this region. The distinguished Counsel members joining us today include Don Tyson, Sam Walton, J.B. Hunt, Alice Walton, and Jim Blair.

In fact, all levels of Government and the private sector will be represented at the witness table today. Joining us from Washington are Dr. Thomas Larson, Administrator of the Federal Highway Administration, and Leonard Griggs, Associate Administrator for Airports with the FAA; and from Dallas, Brigadier General Stanley Genega, the Corps of Engineers' Southwest Division Engineer.

We know, of course, that this committee has not come to Arkansas to solve all of our state's infrastructure problems. These problems are now primarily under the authority of state agencies, although we have major federal programs that provide states with assistance to help in all of these areas. This hearing is really part of an effort to develop an overall national strategy on how to best improve and maintain our nation's infrastructure.

However, I know that locally, interest has been expressed in pursuing the feasibility of a regional airport, and certainly this might be the ideal place for the Federal Government to be closely involved in planning and financing.

In addition, the committee will be taking a closer look at surface transportation in northwest Arkansas during the hearing that we have scheduled, as I've mentioned, for early next month in Fort Smith.

That hearing will allow the additional opportunity to discuss a number of issues that I know will be brought up here today, including the Highway 71 corridor, which runs from I-40 north to the Arkansas-Missouri state line, and the Highway 412 corridor, the east-west four lane route that crosses the northern part of Arkansas.

I want to especially congratulate the Arkansas Highway Department on the great progress they have made and the amount of funding that they have been able to devote to Highway 71, given the additional funds that have been made available to Arkansas by the Federal Government in recent years.

I also want to commend the Department for using all of their obligational authority in 1990, which allows the state to receive an additional $7 million in redistributed obligational authority just last month, in August.

Next month's Fort Smith hearing will be another in the series of such hearings being conducted by our Surface Transportation Subcommittee in preparation for drafting the next major highway bill, under the leadership of Congressman Mineta and Bud Shuster.

I might add that in that hearing, as well as today's hearing, we will be looking at new and innovative ways to finance our infrastructure needs. One option would be to allow the use of tolls on new federal aid highways. Allowing such tolls on new highways may be one of the ways to meet the needs for new highway construction, especially given the current budgetary constraints. So, I see a great deal of merit in this, and I am actively pursuing the possibility of having this concept included in next year's highway reauthorization bill. Certainly I will be discussing it with Congressman Mineta and Congressman Shuster.

Again, I want to thank you, Mr. Chairman, for convening this hearing today, and I look forward to hearing the testimony of our distinguished witnesses.

The CHAIRMAN. Thank you, John Paul. And Bob, Congressman Bob Roe of New Jersey, the Chairman of the Science, Space and Technology Committee.

Mr. ROE. Thank you, Mr. Chairman.

The thought occurs to me, Mr. Chairman—First of all, I'm paying my high regards to you for having this outstanding hearing. We have more people participating, Members of Congress, than we had when we had the hearing in Washington. I wanted you to know that.

In order to lighten up the severity of the bulk processes that are going on today and having a chance to listen to the witnesses and not to the Members of Congress—however, when you ask anybody to comment that's at this table, they're all going to comment—and I had to find out something about Northwest Arkansas — and I'm going to close by talking a little bit about John Paul—and I wanted to know something, and I didn't really have—I thought it was a little—but I asked it anyway. So, I asked Don Tyson, I said, "Tell me, Don, can you answer something for me," and he looked a little bit, you know askance, and whatever, and he said, "What would you like to know?" I said, "Well, how many chickens are consumed in the United States in a day, and I'll bet that you in Arkansas know," and he tells me that there's 15 million that are consumed in a day, and there's 105 million—Don, if I'm correct—in a week in the Nation.

The third observation I want to make is I'm looking over Arkansas and I want you to know that Northwestern Arkansas could be an absolute duplicate for the Northwestern section of New Jersey. One other point that I want to make is that—and being up front, I have an admonition and a confession I want to make this morning—and I know that we're here to talk about infrastructure and water and bridges and highways and the whole bit—but you know, this year they redistricted, every 10 years they redistrict the nation based upon the population. We in New Jersey are going to lose one seat—and I've got to be up front with you, I came down looking over Arkansas, and you may have room for me, and I have to be a little bit—but not in Northwest Arkansas, Norman said, because we don't want to run against John Paul.

I'll close on two quick points. One, John Paul is one of our really outstanding leaders in the United States, and I think that gives rise to the point of so many Members being here—and let me close on this point to put it all into a quite clear perspective—you know, one of the correspondents, if I may, to the press that are here, made the point when we landed, and Chairman Anderson and John Paul made their presentation, and he asked a very good question—he said, "My god, here we have the situation taking place in Iraq and the major buildup that's taking place in the Mid East area, and you've got a budget situation, how are you going to pay for all of this situation . . ."—recall that yesterday—". . . vis a vis the point of you building infrastructure."

Infrastructure is not a good word. You know, it's kind of like—it's a tough one to deal with—but let me give you just one analogy quickly.

When they built the George Washington bridge going across the Hudson River, and it was, I guess, dedicated by Mayor La Guardia—I was only three years old at that point, I want you to know that it cost $63 million. When they, 15 or 18 years later, put the double decking on that bridge, the double decking that they put on the bridge cost $143 million. The entire George Washington bridge, when it was constructed, cost $200 million. If you were to attempt to duplicate the George Washington bridge today, assuming you could get an Environmental Impact Statement, it would cost at least 4 or $5 billion.

So, when we talk about infrastructure, put the word out of your mind and think about the great wealth of America—the great wealth of America lies in its infrastructure, built by different generations.

If you were to talk to the Soviets, Mr. Hunt, one of the major problems is they haven't got a transportation system, they cannot distribute their goods.

If you were to talk about, Mr. Walton, about creating an entrepreneurship, and you were to talk about the work that's been created, you couldn't do that yet in other countries unless we teach them. That's part of infrastructure from my point of view.

If you talked to Mr. Tyson about creating food for other marketplaces of this country or the world, that also is infrastructure.

But if you can't get the goods to market, and you can't distribute them because you don't have the roads, the bridges, and the highways and things we need, and the water supply to drink, and the clean water that we need to survive as human beings, that's what infrastructure is about.

So, we are really basically talking about the wealth of the country, and that's what we should start to talk about and not what it's going to cost us, what we're willing to invest, to keep the growth of the country going the way it should go.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Bob.

Congressman Jim Inhofe.

Mr. INHOFE. Thank you, Mr. Chairman. The Chairman and Mr. Hammerschmidt have been kind enough to let me make an opening remark along the personal line.

This is kind of like a homecoming to me. First of all, I'm honored to be a cousin by marriage to the Walton's. We, Mr. Chairman, in our part of the country call them "shirt-tail cousins," so it's nice to be back with them.

Secondly, three of my four children graduated from the University of Arkansas, and I don't think there's anyone at this table on the Public Works and Transportation Committee who has a stronger commitment to the completion of what we used to call Highway 33, than I do, after having had three children go through the University of Arkansas.

I've been waiting to tell this one story, since Mr. Blair is here. Mr. Blair, for the benefit of the panel up here, is Chairman of the Board of Trustees for the University of Arkansas.

During the years that my children were in Arkansas, I was Mayor of the City of Tulsa. Two of my daughters were cheerleaders for the Hogs. Either the opening game run, or one of the opening games each year, is the University of Tulsa versus the University of Arkansas at Fayetteville, and the University used to always put my two daughters in front of the Tulsa section to lead the Hog cheers when I was Mayor of Tulsa.

So, Mr. Blair, I've been waiting for a long time to tell you that I appreciated the exposure more than the discretion.

It's nice to be back home.

The CHAIRMAN. Are there any other Members who wish to make opening statements?

Mr. PACKARD. Mr. Chairman, I would just ask that Members' prepared statements, be entered in the record, and that we allow the witnesses to go ahead.

The CHAIRMAN. No objection?

[No response]

The CHAIRMAN. So ordered.

[Statements of Representatives Packard and Rahall follow:]

STATEMENT OF
THE HONORABLE RONALD C. PACKARD
REPRESENTING THE 43RD DISTRICT OF CALIFORNIA
BEFORE THE HOUSE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
SEPTEMBER 8, 1990
SPRINGDALE, ARKANSAS

THANK YOU MR. CHAIRMAN:

I AM INDEED PLEASED TO JOIN YOU AND MY OTHER COLLEAGUES HERE IN ARKANSAS 3RD CONGRESSIONAL DISTRICT FOR THIS MOST IMPORTANT HEARING. ARKANSAS 3RD CONGRESSIONAL DISTRICT IS REPRESENTED BY ONE OF THE MOST RESPECTED MEMBERS OF CONGRESS AND A GOOD FRIEND OF MINE, JOHN PAUL HAMMERSCHMIDT.

AS THE RANKING REPUBLICAN MEMBER OF THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, JOHN PAUL HAS BEEN A LEADER IN CONGRESS IN THE AREA OF INFRASTRUCTURE AND ECONOMIC DEVELOPMENT. HE HAS WORKED DILIGENTLY WITH ME AND OTHER MEMBERS OF CONGRESS TO BUILD MUCH NEEDED INFRASTRUCTURE PROJECTS IN AREAS THAT ARE DEFICIENT. I NEED NOT INFORM ANYONE IN THIS FORUM THAT JOHN PAUL HAMMERSCHMIDT IS A TIRELESS WORKER TO ENSURE THAT THE NEEDS OF NORTHWEST ARKANSAS ARE IDENTIFIED AND MET.

THE HEARING TODAY IS ONE IN A SERIES OF HEARINGS THROUGHOUT THE NATION IN AN EFFORT TO BRING PROMINENCE TO THE ISSUE OF INFRASTRUCTURE. ALL TOO OFTEN INFRASTRUCTURE IS NOT DISCUSSED

UNTIL A BRIDGE FALLS DOWN OR A HIGHWAY IS CLOSED BECAUSE IT IS SUBSTANDARD. THIS SERIES OF HEARINGS IS HELPING TO BRING THE IMPORTANCE OF INFRASTRUCTURE INTO A PRIMARY FOCUS.

MAKE NO MISTAKE, ADEQUATE INFRASTRUCTURE AND INTERNATIONAL COMPETITIVENESS GO HAND IN HAND. THE UNITED STATES HAS BECOME LESS COMPETITIVE BECAUSE OUR CORE INFRASTRUCTURE NEEDS HAVE GONE UNMET. HIGHWAYS ARE CONGESTED; AIRPORTS ARE DELAYED; IN AREAS SUCH AS MINE IN SOUTHERN CALIFORNIA WATER SUPPLY IS BECOMING SERIOUSLY DEFICIENT. THESE PROBLEMS ARE MORE THAN JUST INCONVENIENCES, THEY DIRECTLY IMPACT OUR NATIONAL ECONOMY AND IN TURN OUR INTERNATIONAL COMPETITIVENESS. WE AS A NATION MUST MAKE AN EFFORT TO REBUILD AMERICA'S INFRASTRUCTURE OR WE WILL FALL FURTHER BEHIND IN THE EVER COMPETITIVE GLOBAL MARKETPLACE.

I COMMEND CHAIRMAN ANDERSON AND CONGRESSMAN HAMMERSCHMIDT FOR SCHEDULING THIS HEARING AND THE SERIES OF HEARINGS ON INFRASTRUCTURE NEEDS THAT WILL TAKE THE COMMITTEE ACROSS THE NATION. I WOULD ALSO LIKE TO THANK CONGRESSMAN HAMMERSCHMIDT FOR HIS HOSPITALITY AS WELL AS THANK EVERYONE WHO HAS WORKED SO HARD TO MAKE OUR STAY HERE ENJOYABLE.

OPENING STATEMENT OF HON. NICK J. RAHALL II (D-WV)

Mr. Chairman, I would like to take a moment to express my thanks to you and our distinguished universally respected ranking minority member John Paul Hammerschmidt for inviting me to participate in this hearing on infrastructure needs. I am more than pleased to be able to take testimony on the infrastructure needs of rural Arkansas, so that I can compare them with the rural needs expresed by my fellow West Virginians. I expect to feel right at home with the distinguished witnesses on our panel today.

If anyone needs to have a clearer understanding of why our committee continues to hold its scheduled series of hearings across the country on infrastructure needs, let me cite some statistics that should enlighten you:

There are nearly 3.9 million miles of roadway in the United States today. Eighty (80) percent is surfaced.

The replacement value of those millions of miles of road is approximately $480 billion dollars.

Each year, the U.S. road network handles more than 1.8 trillion vehicle miles of travel. Eighty (80) percent is done on the Federal-aid highway system, which comprises less than 22 percent of the Nation's road mileage.

In 1985, the Nation's highways transported 610 billion ton-miles, or 40 percent of total freight tonnage, reflecting a 70 percent increase over a 20 year period.

In 1985, total expenditures by the Federal Government, States and local governments on the Nation's highways and bridges was $45.1 billion.

More than 220,000 of our Nation's bridges, out of a total 575,000, are either structurally deficient or functionally obsolete.

The added cost of driving on bad roads is approximately $16.2 billion, or $99.60 per driver, and we waste approximately 1.38 billion gallons of gasoline in traffic congestion on limited access highways per year. By the year 2005, this gasoline waste is expected to rise to 7.32 billion gallons.

Despite what the administration has proposed to spend on infrastructure needs, which amounts to more in reduced funding than increases, we cannot possibly meet our needs without increasing our financial commitment.

As a representative from West Virginia, I can tell you that the States cannot deal with spending more of its resources on highways and bridges, or other infrastructure needs. They need, and they deeply appreciate, Federal funding for their highways.

It is not only a crisis in West Virginia, it is a national disgrace, and it must become a national priority.

I believe the Chairman's field hearings throughout the country in the past weeks will bring our infrastructure needs and their crisis proportions, quickly and forcefully to the forefront of the Nation and its people, and hopefully to the immediate attention of President Bush and the Congress as a whole.

Our threat is no longer communism—it is competition. Let's work together to rebuild America.

The CHAIRMAN. Because so many people have been willing to participate in this hearing, and because of our time constraints, I'm going to ask each witness to summarize his statement orally in hopefully two or three minutes.

Each witness' full statement will be printed in its entirety in the record of the hearing.

Our first panel of witnesses today will be giving us an overview of infrastructure needs and they are Mr. Jim Blair, the legal counsel for Tyson Foods, Incorporated, Mr. Don Tyson, the Chairman and Chief Executive Officer of Tyson Foods, Incorporated, Mr. J.B. Hunt, the Chairman of J.B. Hunt Transport, Incorporated, Mr. Sam Walton, the Chairman of Wal-Mart Stores, Incorporated, and Alice Walton, the Chairman and President of the Llama Company.

I want to welcome all of you, and let's begin with Mr. Blair.

TESTIMONY OF JAMES B. BLAIR, CHAIRMAN, UNIVERSITY OF ARKANSAS BOARD OF TRUSTEES, GENERAL COUNSEL OF TYSON FOODS, INC., MEMBER OF THE NORTHWEST ARKANSAS COUNCIL

Mr. BLAIR. Thank you very much, Mr. Chairman. We are awed by the attention and by having all of the distinguished Members of this committee here. We do know it's in part in tribute to our own Congressman John Paul Hammerschmidt.

You know, when he ran for Congress in 1966, he was running as a favor to Winthrop Rockefeller to help strengthen the ticket of the Republican party. He didn't have any idea he could win, he didn't intend to win. He was the most surprised person in the state when he found he had to move to Washington. But he has been our gain ever since, and he was a businessman and has a businessman's point of view in terms of what you are telling us about productivity, which is one of the bywords of this Northwest Arkansas Council.

There has been a statement submitted, Mr. Chairman, over the aegis of the Arkansas Council, and I sponsor that statement and ask that it be submitted in the record.

I would tell you that in 1950, the population of Northwest Arkansas, Washington and Benton County, was not growing as fast as the rest of the United States, and there is a chart over here which shows the acceleration of the population growth of Northwest Arkansas as against the National population growth.

In about 1960, it started increasing dramatically, and it continues to increase at an increasing rate. Congressman Roe, you are the tackee up there. I believe that's what they call acceleration.

But we are now something over 200,000 and in the very foreseeable future, we will be something over 300,000 people, one of the largest areas that doesn't have any direct link to the interstate highway system.

The people on this panel are probably too modest to tell their own accomplishments, but the people at this table have created since 1960, over 350,000 jobs. They employ over 350,000 people today. That's almost a Congressional district. They run thousands and thousands of trucks over the roads.

Mr. Walton here, if the statistics I'm reading are correct, will, at the end of this year, his company will be the largest retailer in the United States.

Mr. Hunt here runs 4,400 trucks. He is the largest trucking company in the United States, and also the most fuel efficient.

Mr. Tyson is the world's largest chicken farmer. In 1950, when Sam was opening his first five and dime store, Mr. Tyson was opening his first poultry processing plant. He now has 41 processing plants and employs 44,000 people, kills 25 to 26,000,000 chickens a week.

Alice Walton, who is the Chairman of the Northwest Arkansas Council, is, I believe, the largest minority investment banking company in the United States, but I'd have to check those figures.

These people, however, are committed to productivity, and they haven't ever asked the Government for any particular help. They have been an entrepreneurship.

But what is happening is that the result of all this and a lot of other factors, are moving the population of the United States to where this is about to become the population center of the United States.

We have another chart here that shows—and the two lines are depending on whether the south grows a little faster or the west grows a little faster—but the population center of the United States is just slightly southwest of St. Louis and moving this way, and any projection you can make, you are in what is very shortly going to be the population center of the United States, and I think that has significance for some of the things that we would like to ask you to do.

In regard to the highway system, the highways of what I believe is now going to be called of national significance, there is a missing link that Congressman Hammerschmidt referred to—if we could have the next chart.

When the interstate highway system was constructed in the 1950's, a center corridor north and south down the center of the United States was just left out.

We, of course, strongly support the creation of a highway of national significance that would move from Kansas City to Shreveport, and really would allow traffic to move from the Great Lakes to the Gulf. We don't want anybody to think that because we are focused on Northwest Arkansas, that we are not concerned about Texarkana and all the rest of Arkansas having access to this, because we are. That will be addressed in greater detail.

If we could see the next chart, please.

The other thing that we are going to be concerned with, we are going to ask for a special demonstration project which is to put in a 20 mile stretch of four lane highway that will connect up Northwest Arkansas to the Cherokee Turnpike. This is the highway that Congressman Inhofe's children used to drive over, and it is a terribly dangerous highway, and this chart shows the degree of traffic, injuries, and fatalities, in reference to how the highway is structured, and you can see the peaks of that chart are above the average for rural highways.

It is many many times the average, and what is going to happen when the Cherokee Turnpike is finished, is all that traffic is going to funnel in to this two lane rural stretch that already has a higher accident rate than most rural highways by far, and going to make it much more dangerous.

So, it is not only productivity, but it is saving lives and it is in terms of safety.

The other thing that we are going to ask for, and the panel members will cover in greater detail, is an idea whose idea, I think, is a time that's come.

You have pointed out that there has not been an airport built in the United States since 1974. We think we have an area where you could build what is called, or would be called a reliever airport. It would be a major cargo distribution airport. Because it is in the population center of the United States, because it is very close to the geographic center of the United States, air cargo that now breaks over big population centers causing enormous congestion and enormous expense, could break over this relief airport and be distributed all over the United States.

The trucking distribution and all of that is in place. It would involve participation of the private sector. Federal Express has expressed an interest in being involved, where they would do their maintenance here. There are other private companies that would do this.

This would create a highway-airport link, which would even include a highway linkup to the Kerr-McClellan Navigation System, so it would also include a water link totally intermodal.

We think all of these things would do something for us, which I would illustrate by the metaphor that we are like a potted plant which has started from a seed, germinated, grown as fast as we could, we have been as productive as we can, but we are about to become root bound because no attention has been given to the infrastructure, except incrementally in many many years.

All of these people are doing business essentially over the same transportation system that existed when they started. It is incrementally improved, but if we are going to continue the growth that will add to the productivity of the United States—these people are Mr. Tyson that exports hundreds of millions of dollars a year which helps our trade deficit, Mr. Walton with his "Buy American" program has revitalized many small American industries, because of his enormous ability to distribute goods—all of this we think will lead to a healthier economy.

So, we would ask that legislation be enacted that allows the Highway Trust Fund to be spent down. That some of this money be used for what it was intended to be used.

Arkansas pays in a hundred cents and gets back eighty-two cents. Even though we are a poor rural state, we are a net donor, and we would like to see, of course, that everybody gets back approximately what they spend in, and we would also think because fuel, diesel fuel taxes are so high, that there ought to be a formula allocation that takes, in view of where this diesel fuel is spent and used, that some of it flows back.

We know that the committee is giving all of this serious attention. We know that many of you are already outspoken proponents of that legislation. We would pledge our support.

We thank you very much for coming here, and God bless all of you.

[The prepared statement of Mr. Blair appears on p. 1643.]

The CHAIRMAN. Our next witness is Mr. Don Tyson, the Chairman of Tyson Foods, and Don, you were referred to awhile ago as the biggest chicken man. You don't look that big.

Mr. TYSON. Well, thank you, Mr. Chairman, we try.

TESTIMONY OF DON TYSON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, TYSON FOODS, INC.

Mr. TYSON. Mr. Chairman, Congressman Hammerschmidt and Members.

U.S. Highway 412 in Northwest Arkansas to I–44 in Tulsa has a missing link.

The development of a special demonstration project would improve highway safety, relieve congested traffic, improve rural access, and help link up the McClellan-Kerr Arkansas River Navigation System.

A partnership of the Federal Government, Oklahoma, Arkansas, and the private sector, working together, could correct this problem for the citizens of our area.

Thank you very much.

[The prepared statement of Mr. Tyson appears on p. 1765.]

The **CHAIRMAN**. Thank you, Don.

Mr. J.B. Hunt, Chairman of Hunt Transport.

TESTIMONY OF J.B. HUNT, CHAIRMAN, HUNT TRANSPORT, INC.

Mr. **HUNT**. Thank you, Mr. Chairman and Members of Congress. Don has made his statement pretty short. I have a bit more to say than that, but when I came here about 20 years ago to go in the trucking business, I had five old trucks and seven worn out trailers, and we started trucking, and everybody said, "Why would you come to Northwest Arkansas?"

Well, there's something that's different than anywhere else, and I can feel it, and I know it is, and it's a great place to live, and it's second to none. So, I have enjoyed living here, and now we've got up to 4,200 trucks, almost 10,000 trailers. We burn about 54 trailer loads of diesel fuel a day that costs about $500,000. Our payroll is up to almost $1 million a day, which is about 8,000 employees.

The thing that bothers me here more than anything else is I was a truck driver, and the roads haven't changed much here in 30 years, and we have about 17,000 trucks and trailers coming in here a year.

Mr. Walton has about 500 trucks per day come and go here, and Mr. Tyson has more than likely 260 or 300 a day, and I just can't figure out why that we can't do something with this major problem.

I was asked to come to Texarkana last year to meet with a group of Highway Department people—Governors and everything—and I told my wife, I said, "Well, if I'm going to talk about Highway 71, I need to drive down there." So, we get in the car, drive down to Texarkana, and on the way down there, I had this terrible feeling. It was the same feeling I had in World War II, when I was crawling under barbed wire fences with machine guns over my head, and when I got out from under that machine gun, I would always shake myself and say, "Thank God, I made it."

When I got to Texarkana in this new Cadillac, when I hit the freeway, I had that same feeling, "Thank God, I made it."

That is the crookedest road, heavily traveled—it's unbelievable. I'll tell you, it is terrible.

I know Mr. Walton and Mr. Tyson are not in the habit of begging, and I'm not, but I'll tell you what—I would beg anyone to fix that road.

So, I thank you Congressmen for coming down here, and I thank John Paul. If we name the road Hammerschmidt, I think it should be Mr. Hammerschmidt.

Thank you and God bless you.

The **Chairman**. Thank you, J.B.

Our next witness, Mr. Sam Walton, Chairman of Wal-Mart Stores.

TESTIMONY OF SAM M. WALTON, CHAIRMAN OF THE BOARD, WAL-MART STORES, INC.

Mr. **Walton**. May I stand a moment? I have never made a formal speech in my life, I have never made a formal presentation in my life, and I have never made a presentation to any congressional group before in my life, so I, too, so much appreciate your presence and your being here.

John Paul was a budding entrepreneur in Boone County—J.B. and Don, you remember—He was running the largest lumber yard—it wasn't called a Home Center—of anybody in Northwest Arkansas.

And Jim, you're so right, he was shocked more than anyone else when he got elected. I didn't think he would beat Jim Trimbell, but he did, and what a blessing he has been to Arkansas ever since.

So, I'm glad to be here. I appreciate so much the support of our friends from Tulsa, and all over this Northwest Arkansas area. I especially appreciate the great work that has been done by Evaldie Lindsey, Alice, and the Northwest Arkansas Council. That distinguished group of folks—Jim, I guess you're on that committee—that has done so much to bring this here.

Do you mind if I get my uniform on? I'm really not feeling good, Mr. Chairman, until I——

[Applause.]

Mr. **Walton** [continuing]. If you can't hear me, raise your hand and we'll do something about it.

We have got an unusual area here. It's full of other entrepreneurs, small businesses that will be, and I think, as successful as Don and J.B., and possibly Wal-Mart in time. This area—I wish we had time to introduce them—and I guess you've got a feel for it, the last 20 hours that you've been here, our guests, but it is most unusual, and I think that given 10 years, in the year 2000, if we do our work right, we will give many of those growing companies an opportunity to do what we have been privileged to enjoy. I think it's a unique area.

I know our ambitions, our objectives, are most ambitious. I know that the idea of a large regional airport in Northwest Arkansas that would be possibly a reliever airport, Jim, as you suggested, and possibly be multipurpose used by possibly some air cargo companies, or others, seems like it may not be practical at this point.

But the more I look at this material that has been assembled, the more I think about where our company has been and where we're going, John Paul, the more I really believe that, like in all of our businesses and I think the businesses that are represented here and in Oklahoma, we can make this thing pay.

I think it can become cost effective, and I think that's the way these businesses have grown. I know it has been with us. We have to make a profit, or we don't put in another store, and we've had to do that from the very beginning.

I really believe, Jim, that should we be able to get this road extended from Siloam Springs over to Springdale, should we be able to continue the work that you referred, J.B., on 71 south as well as north, and then if we can lay this airport in the middle of this area and serve the needs, I think that we will be able to do some of the things that we want to do.

I had never thought about—You know, we are a partnership in Wal-Mart. We talk about our partners being our associates, and they are, and we talk about our stockholders being partners, and we talk about our customers being partners, and our vendors, but the largest partner, Mr. Chairman—and I've never really thought about it this way—that what we have in our company, is the United States Government of America—and I really believe that we can achieve our goals as a company.

We think we need to double our size and can double our size in five years time. We're going to be $32 billion plus this year, Bill—the informality of calling that fine Congressman from Missouri, Bill—but we think we will do $32 billion plus. We think that in five years, we will be doing $64 billion. This year, as a partner—and I'm proud and pleased that we pay the income taxes that we do, the corporate taxes, and I'm glad even to pay the taxes on the diesel fuel that we run, as well as the gasoline that we use wherever—but I expect this year—and I hope you'll forgive my—It's not—I don't ordinarily talk about these kind of numbers—but this year, we will corporately pay between $800 and $900 million in taxes just from our Wal-Mart Company alone in Bentonville, Arkansas. Next year, if our profits are maintained and we're on track, we will pay in excess of $1 billion in taxes to the U.S. Treasury, and we're glad to do it, and glad to be able to.

But our plans are rather real ambitious. In the year 2,000, we think we'll be four times the size we are today, and I think we actually can achieve it, but in order to do it, we're going to have to have this airport that we're talking about. We're going to have to have the road system that will support us, and we'll have to let people move in and out of here.

Don, you know that we're buying, and you know we're buying all over the world, but we're buying first as much as we can from the United States of America.

You know, as a philosophy, Mr. Chairman, we have changed from going to New York to buy our goods, going to Tokyo to buy our goods, to Taiwan or Hong Kong, we're saying to folks today, "If you want to do business with us, we'd rather have you to come on into our area, come on our own turf, bring your samples, bring your projects, and we'll sit down and talk to you about a plan and we'll become your partners," but they need to come to Bentonville, Arkansas.

Well, it's tough to get to Bentonville, Arkansas.

We just feel like if we have the opportunity and we have the infra—I can't even pronounce the word, Congressman Roe—but we've got that thing that we need, the base, we'll have—we'll be able to double our sales and double our payments to the United States Government. We think next year we'll be paying over $1 billion in corporate income tax and glad to do it. We think that in the year 2000—I won't even talk about it because it's a wild number—

we think in the year 2000, we'll be doing over $100 billion in sales, but we've got to bring in a lot of people here to do it, we've got to be consistent in what we do, and we just need—but we think we can make it pay.

We think we have a program that will pay for this airport and will pay for these roads, and an investment made now to help us out, will be well spent and well considered for the United States of America.

And we really appreciate your time and your attention and any help that you can give us, and then we stand ready to help any of you in any way that we can. Thank you very much.

[The prepared statement of Mr. Walton appears on p. 1834.]

The CHAIRMAN. Well, thank you, Sam, and we thank you especially for paying those taxes.

Our next witness is Ms. Alice Walton, the Chairman and President of the Llama Company.

TESTIMONY OF ALICE L. WALTON, CHAIRPERSON AND PRESIDENT, LLAMA CO.

Ms. WALTON. Thank you, Chairman Anderson, and our dear friend and distinguished Congressman Hammerschmidt, and other Members who have taken the time and made the effort to attend this meeting and get to know a little more about our part of the world.

There is only one person in my life who I have never envied, and that's that person that follows my daddy, but I guess we all hit that at some point or another, so I'm just going to take it from there.

You know, we used to always go on family vacations and mom and dad would throw the four kids in a station wagon and we'd try to camp out in a different part of the country every year, and it was a great experience. We met other little kids from all over the United States—went east, went west, went south, went north—and they'd say, "Well, where are you from?" and we'd say, "Well, we're from Northwest Arkansas," and they'd say, "Well, where is that?" And we'd say, "Well, it's real pretty and has real nice people, and mountains, and water, but you really can't get there from here."

I'm not going to admit whether that was 20 or 30 years ago, and some things have improved, but the basic statement unfortunately does remain the same.

We ask for your support and we pledge you our support in a public-private partnership, to try to help relieve this situation, and to continue our efforts to support the economy of the Midwest, and this country, as a whole.

Northwest Arkansas, the Third Congressional District of Arkansas, is a multi-billion dollar economic hub of production and distribution at the population center trend line of the United States, and has experienced amazing population and economic growth over the last 30 years.

Northwest Arkansas is one of the largest centers of population in America, which does not have a four lane link to the interstate system, or an adequate airport facility to meet the region's needs.

In spite of those infrastructure deficiencies, two counties of the region, Washington and Benton, have seen their population grow 129 percent since 1960.

According to the preliminary 1990 census figures, these two counties of Northwest Arkansas had a population growth over the past 10 years which accounted for 64 percent of Arkansas' total population increase from the period of from 1980 to 1990, a rate of growth which is more than eight times the state average.

The economic well-being of Northwest Arkansas mirrors the growth in population as evidenced by almost a 16 times increase in property tax assessments during the last 25 years, and almost a 2,000 percent increase in bank deposits during this same period.

Looking forward, the future looks equally bright. However, without an improved highway system and an adequate airport, the future growth and economic prosperity of Northwest Arkansas and the whole Midwestern region, could well be jeopardized.

We need to build a mid-America reliever airport similar to the Alliance Airport near Dallas, in Northwest Arkansas. Such a facility would not only provide us with a safe dependable link to the Nation's aviation system, but it would be an economical method of helping solve the overcrowding and congestion of air space, airports, and ground access facilities at the seven major mid-America hub airports.

The aviation industry must recognize, based on pure economics Government spending restraints and noise pollution problems, at the major airports, and the major destination cities, that the only timely, efficient, economic solution, to our national air traffic problems, is the separation of destination and rural hub transfer facilities.

We propose that the public-private partnership joint effort be immediately developed as a mid-America reliever airport and supported by private interest air cargo and maintenance operations.

We also desperately need the direct four lane access to the interstate highway system, both along U.S. 412 and the Interstate 44 at Tulsa, and U.S. 71 to I-40 on the south, and the Interstate 44 on the north.

We believe that the needs of Northwest Arkansas for an improved transportation system is of national scope and meets the funding and programmatic criteria for development.

We would appreciate your favorable consideration of our request, and we thank you for your time.

[The prepared statement of Ms. Walton appears on p. 1832.]

The CHAIRMAN. Thank you, Alice.

I want to thank you, panel. You have already clearly presented a strong case for private businesses' need for improved highways and airport facilities in northwest Arkansas, and the positive effect it would have on your ability to compete in the marketplace.

Now, are there currently any plans in the works at the state or county level to meet some of these needs, and what specifically do you see as the federal, the specific federal role?

I'm asking that question—Mr. Blair, okay. John Paul suggested directing that to you, although it was kind of to the whole panel, and also we're going to have to keep our questions and our answers fairly brief, because I'm told there's a couple of them that are already late—a couple of witnesses that have to be at some other things.

Jim?

Mr. **Blair**. Mr. Chairman, the answer is, yes, I believe the state is very supportive of these proposals. An amended Order has been issued by the State Highway Department approving the project we refer to as the Special Demonstration Project, which is the link to the Cherokee Turnpike.

The arrangements have been made with the State Highway Department approving the flow of a substantially greater than normal amount of the federal funds and state funds into Highway 71, and there are pieces of it under construction, and certainly Congressman Hammerschmidt has been very involved in all of this.

It has such an attention, Mr. Chairman, that a local television station in Fort Smith, every night at the end of their news program, every night gives a status report on the construction of Highway 71. I don't know whether that goes on anywhere else in the United States or not.

But the local community, the business community, is willing to consider any alternate means of financing. The Governor has been here and has put his personal stamp of approval on that inner link of the Cherokee Turnpike, and has said that he will cooperate in any kind of a program that can help to establish it.

We do need substantial federal help. By making this a special demonstration project, as I understand the way the system works, there could be quick direct funding and if you haven't had an opportunity—and I know you had this hearing in Tulsa—to see what remarkable things have been done with the Cherokee Turnpike construction—they put a half a dozen contractors on different segments and did it all at once and they're going to have it finished ahead of schedule sometime in 1991.

So, since that's going to funnel all of that traffic into this dangerous highway, we're having to be in a hurry too, so I believe the answer is, we can rally every other sector of the society and the government in support of these projects.

Mr. **Hammerschmidt**. Mr. Chairman, let me just comment.

Jim, thank you for your response.

You know, we're going to have a Surface Transportation panel here, and we're going to have the Chairman of the Highway Commission and Bobby Hopper, our local Highway Commissioner that can speak more comprehensively to the Chairman's question, as you know.

I know we are really pressed for time here and we have a distinguished witness who came from Washington that is trying to get to a very important event, and we promised that we'd get him out after awhile, but let me just say, we've never had a more distinguished panel before this committee, in Washington, or anywhere else in the field hearings, than we have here this morning, and we very very much appreciate your testimony, all of you. You did a great job and we appreciate it.

Thank you. Thank you, gentlemen.

The **Chairman**. Any other questions of this panel?

Mr. **Laughlin**. Mr. Chairman, I would just have an observation—John Paul and I have talked about this, my district is very similar to John Paul's district, but I didn't realize how much until I got here last night. My staff scheduled me for yesterday morning, several months in advance of yesterday, to visit Tyson Foods in Seguin, Texas. While I was there, Jim, you might be interested to know that when you were talking about foreign trade, they were loading these sacks, half in English and half in Russian, which I can't read, Don—I assume it's the same thing the English is.

But these bags being loaded at Tyson Foods in Sequin, Texas, to go to Russia, helping with the trade deficit, and the very problems you were talking about have been brought home very well, because rural America is dependent. J.B. Hunt's trucks run up and down the highways in my district, and Sam Walton has got his huge distribution center about 10 miles from Sequin over in Larone County, but it's over there in Hays County outside my district, but it points out those locations are there because they are near an interstate highway.

So, we appreciate your testimony today, and thanks for making all of us feel at home here.

Thank you, Mr. Chairman.

Mr. **Mineta**. Mr. Chairman, if I might just very quickly.

Mr. Blair, roughly what is the cost estimate of that 20 mile section?

Mr. **Blair**. 40 to $50 million.

Mr. **Mineta**. And as I understand it, the U.S. 412 that you're talking about, does that parallel Arkansas 68 and——

Mr. **Blair**. My understanding is it will supersede Arkansas 68. Arkansas 68 will become 412.

Mr. **Mineta**. And so what we know is that Oklahoma 33 is the Cherokee Turnpike on the Oklahoma side?

Mr. **Blair**. Essentially, it, I believe, and Congressman Inhofe could correct me, is essentially, yes, it will replace it.

Mr. **Mineta**. And that's a state funded toll project?

Mr. **Blair**. I believe that's correct.

Mr. **Mineta**. And you anticipate that this portion of U.S. 412 would also be a toll project?

Mr. **Blair**. That is one way it could be done, and we don't have any legislation in our state that authorizes it to be done that way.

Mr. **Mineta**. Well, that was the next question I was going to ask, if you've made any approach to the Arkansas Department of Transportation along that line.

Mr. **Blair**. We have in the sense we have said it has to be done quickly and we will certainly support any kind of alternate financing.

Mr. **Mineta**. With respect to the airport, Congressman Packard and I are putting a Bill together as it relates to regional planning of regional airports. And it seems to me that maybe this is the kind of thing we could be looking at there, as well as some of the road system that are being suggested in your testimony, under a new program that's anticipated in the new legislation that I'm putting together right now called Highways of National Significance.

So, I believe this is the kind of thing that has the local and state economic development benefits that we're looking at—the kind of partnership you're talking about here.

Again, thank you very, very much.

Mr. HAMMERSCHMIDT. Will the gentleman yield?

Mr. MINETA. Absolutely.

Mr. HAMMERSCHMIDT. Mr. Chairman, Arkansas put together this 412 corridor by taking parts and pieces of the most logical east-west route, so we would have a corridor to work with, so it's parts of several different highways, 68 being the major highway.

It may be, and I mentioned that in my opening statement, that we may want to consider taking money out of the Highway Trust Fund to make sure that a toll road will work. In other words, subsidize it to the degree that it won't work, and let it continue that way.

Oklahoma is way ahead of us, because they started that Will Rogers Turnpike right after World War II, and they've had lucrative toll roads and they have had revenues from that flowing from it.

But it is an area of consideration I know we will want to discuss before we go out.

Mr. MINETA. Mr. Chairman, if I might, since we have a user of the highway system and one of the largest trucking firms represented right here at this panel, I'm wondering if I could ask a question about LCV's, the Longer Combination Vehicles.

There is a push right now to the possibility of raising our 80,000 pound limit to something higher, possibly 120,000 pounds, possibly going to triple 28 trucks or double 48's, and I'm wondering if you have any comments on whether or not we at the congressional level ought to be doing anything to push for, or to include in our next surface transportation, highway mass transit type of legislation, any consideration of those increased limits, given the talk about productivity. And we have to weigh that against safety, as well.

Any thought on that? Mr. Tyson.

Mr. TYSON. That's J.B.

Mr. MINETA. J.B. Hunt, Mr. Walton?

Mr. HUNT. I wouldn't recommend raising the weight, not in our business. An 80,000 pound gross is just about all that I—I would say though, let us pull two trailers, because that gives you more traction, more brakes, and do that on a restricted basis.

I'm on that committee, and I'm recommending to pull two 48's or two 53's, but with a master driver, with big engines, low speeds like 55 miles an hour, but only on four lane highways, and make it safe.

But to put more weight than 80,000 pounds on any one trailer today, I think would be stretching it.

Mr. MINETA. Thank you very much.

Mr. WALTER. Congressman Mineta, I've heard our folks talk about that, too, and I think they would like the same position.

Paul Carter, our Finance Officer, is here, and Paul, you probably know a little bit more about that than I do. Would you care to comment on that? Have you got any feeling for it?

Mr. CARTER. I think that's basically the position our people hold, the transportation crew—is what you said.

Mr. TYSON. I believe that limit, that 80,000 pound limit, should do it as far as we're concerned, but that would just be our position.

Mr. MINETA. Thank you very much, Mr. Chairman.

The **Chairman**. I want to thank the panel very very much for their presentation.

Mr. Hancock? I'm sorry.

Mr. **Hancock**. Just real briefly, I think I would be remiss—We're talking about the partnerships. My district is the Southwestern District, the Seventh District of Missouri. I've always considered Northwest Arkansas, Southwest Missouri, and Oklahoma, of being in a partnership, kind of an economic entity, and I just think I would be remiss.

I have been hearing a lot about Oklahoma, but I want to mention Missouri in this, too, because this is an area that is the population growth center. You know, the tourism industry is a major industry for us here, and the north-south links on tourism is one of the keys to the development of Northwest Arkansas, and Southwest Missouri, and Northeastern Oklahoma.

Thank you, Mr. Chairman.

Mr. **Tyson**. Mel, it may not have anything to do with it, but we're proud of our hillbilly heritage here in Northwest Arkansas, and you folks are in the hills, as well, in South Missouri, as well as Eastern Oklahoma. Maybe that has something to do with the entrepreneurship that we're talking about, as well.

Mr. **Rahall**. I can't let that go by—as well as West Virginia.

Mr. **Tyson**. You're right, my friend.

Mr. **Mineta**. We've got a great degree of it in Silicon Valley, as well.

The **Chairman**. Any further questions? If not, thank you very very much for your presentation.

Our next panel of witnesses will be addressing aviation needs. Mr. Leonard Griggs, the Assistant Administrator of the FAA; Mr. Fred Davison, Chairman of the Arkansas Aeronautics Commission, accompanied by Mr. Tommy Hancock, Director of the Arkansas Department of Aeronautics,; Mr. Raymond Ellis, a member of the Chamber of Commerce and Aviation and Air Transportation Task Force; and Mr. James Rodgers, Manager of a Little Rock Airport.

I know that Mr. Griggs has to leave very short, so let us begin with Mr. Griggs.

Mr. **Hammerschmidt**. Mr. Chairman, before Mr. Griggs begins—first of all I want to welcome all the members of the panel. Let me say that Mr. Max Hall is going to bring a statement from Mr. Davison who was held up because of the weather in Little Rock, so Mr. Hall will be representing Mr. Davison in reading his statement.

The **Chairman**. Mr. Griggs.

TESTIMONY OF LEONARD L. GRIGGS, JR., ASSISTANT ADMINISTRATOR FOR AIRPORTS, FEDERAL AVIATION ADMINISTRATION

Mr. **Griggs**. Well, Mr. Chairman, I'm Leonard Griggs, and thank you all very much.

I think I understand the secret now, it's called enthusiasm, and coming from Missouri, I'm supposed to go back to my daughter's engagement party this afternoon, and I'm not too sure I shouldn't have held it here. Thank you all very much.

I am pleased to have this opportunity to appear before you all to discuss the aviation infrastructure needs of Northwest Arkansas.

As you all might or might not know, the FAA's grant program, which is authorized by this committee, has been the key factor in making available substantial assistance to airports throughout the country.

Since the enactment of this program in 1982, we have issued nearly 10,000 grants, for $8.9 billion to help finance airport development and planning projects at our Nation's airports.

These have included funding for land acquisition, runways, taxiways, aprons, safety and security equipment, noise mitigation, and terminal buildings.

This year alone, our program level is almost $1.5 billion, and thanks to this committee, if it passes the House and the Senate, our program level could be over $1.6 billion next year.

There remains a pressing need for a strong airport program today, particularly with the capacity problems our Nation is experiencing, which were highlighted today by a couple of the witnesses.

There is a clear need for significant capital improvement to increase capacity, if we are to meet the growing demands of the travelling public.

I know as the former Airport Director in St. Louis, I was the recipient of an awful lot of money approved by this Committee.

Secretary Skinner's National Transportation Policy recognizes that a continued strong local presence in planning and financing is critical, and you heard that echoed here today.

Additionally, we have supported, and the House of Representatives has passed legislation that included a Passenger Facility Charge which would provide a local community option of charging airline passengers a modest fee to assist in financing local projects.

Aviation is the absolute cornerstone of economic vitality in the United States and in Arkansas.

Since 1982, through the AIP Program, a total of over $90.6 million has been approved for airports in Arkansas. Of this total, $39.4 million was in entitlement funds; the remaining $51.2 million was from discretionary money of which this year we hope to have $165 million plus.

Aviation, both air carrier and general aviation, is particularly important to Northwest Arkansas, where the highway system, as you have heard today, requires time consuming travel through small towns, and in some cases, mountainous terrain.

It is absolutely clear that a modern well maintained system of airports is important to foster the timely and efficient transportation of people and goods.

There are nine existing airports in this region, and it's important that I cover those for everybody's information.

Two of these airports are primary airports with air carrier service. The remaining seven are general aviation facilities. Four of these airports have received more than $1 million in airport grants, and through the end of 1990, Fayetteville, almost $4.5 million, Fort Smith, $6.32 million, Rogers, $3.94 million, and Springdale, $1.97 million.

There are also a variety of ongoing and planned projects at nine airports in Northwest Arkansas.

At Fayetteville, we have a multiyear grant of 1.25 million for obstruction removal, safety improvements, and airport rescue and fire fighting vehicles.

We anticipate also that this airport may be undertaking additional work in FY 1991, for an extended safety area.

At Fort Smith, there is a multiyear grant of $1.7 million for taxiway reconstruction and runway lighting.

Bentonville has a current airport master plan underway with a $13,000 federal grant, and as a result of this study, may initiate a runway extension project in the future.

At Berryville, we anticipate the airport may undertake a project in FY 1992 to extend and widen the runway.

We expect a forthcoming project at Harrison, and at Russellville, a planning study is anticipated.

We also see a project in FY 1991, in Siloam Springs, to reconstruct an apron and a taxiway, and at Springdale, we anticipate an FY 1992 project for land purchase and apron construction, and a project in FY 1993 and 1994 to reconstruct the runway and taxiway.

Clearly, the aviation officials in this area and state are working hard to upgrade and modernize their facilities to better serve the traveling public.

Under our Facilities and Equipment Program, we have scheduled an ASR 9 airport radar which will be very very important. This state-of-the-art radar will be located in the vicinity of the Fayetteville airport, and will be used to provide radar air control services for these airports within approximately 40 miles of Fayetteville. Radar data will be remoted from Fayetteville to Fort Smith, Arkansas, enhancing safety and improving the air traffic control tower operation.

In closing, Mr. Chairman and Members of the Committee, I want to state that we in the FAA recognize the importance of a strong aviation infrastructure and a strong economy in Northwest Arkansas.

As I've heard today, you all would like to see a planning program started for a regional airport, similar to Alliance. As you might or might not know, and I would like to elaborate on this, the FAA does not build airports. However, I am very encouraged by the leadership and the progress that I've seen here today, and Mr. Chairman, we will be more prepared to sit down with the state officials and work with you all to see if we cannot start the planning process.

If the planning process proves that this is, indeed, as practical and as pragmatic as we have heard, we will certainly participate in it.

[The prepared statement of Mr. Griggs appears on p. 1682.]

The CHAIRMAN. Well, thank you, Mr. Griggs, and I know that you have to be out of this room at 10:30, and that's in about five minutes, so I'm going to change our procedure a little bit. I will ask our question of you, let you go, and then bring the rest of the panel up and we will start over again.

Mr. GRIGGS. I deeply appreciate it. I only wish I was having the ceremony down here, sir.

The CHAIRMAN. Well, there's one thing, your answers are going to have to be short, too.

Mr. GRIGGS. I'll try, sir.

The CHAIRMAN. How important is general aviation and the condition of rural aviation facilities to the economic growth in this area?

Mr. GRIGGS. I think it is absolutely important, sir. If you take a look at the highway infrastructure, if you take a look, as others have testified, at the difficulty of getting in here, aviation is the entrance to it and the exit from it, and I think it's demonstrated across this nation.

Unfortunately, a lot of all we hear is major hub airports. We hear about Dallas, we hear about the new airport in Denver. But at all of these major hub airports, if you don't have a relief system, if you don't have a smaller airport, and in an area like Northwest Arkansas, if you don't have a system of strong airports to sustain it, you're not going to have the growth, sir. It's absolutely the key, and essential.

The CHAIRMAN. John Paul, do you have any questions, or any——

Mr. HAMMERSCHMIDT. No. I want to thank Mr. Leonard Griggs for being here. You know, he is the Assistant Administrator for Airports for this whole country, and it's very important that he be here. I'm sorry that you can't stay and hear some other very important aviation people, Mr. Griggs, like Jim Rodgers from Little Rock, and Ray Ellis, who is an institution, and Max Hall, who is a pilot and representing Mr. Davison.

I know you have to go, but also you will get their testimony, and I am sure you will have an opportunity to go over it. So, we very much appreciate your coming and being here.

Mr. GRIGGS. Well, let me say, sir, I have known Mr. Rodgers for a great number of years, and thanks to your subcommittee, we just gave Little Rock last week almost a $3 million grant, and I think you will see big things at their airport, also.

Mr. HAMMERSCHMIDT. While you're here, I might mention they have an ILS problem, but we will discuss that at another time.

Mr. GRIGGS. Sir, we just gave them a grant for $1 million. The ILS will open the runway. It has been resolved, sir.

Mr. HAMMERSCHMIDT. Wonderful.

Mr. GRIGGS. They are not going to build anymore runways with that ILS, sir.

The CHAIRMAN. Any other questions before we release him?

Mr. MINETA. No, but Mr. Chairman, I just want to thank Colonel Griggs for being here.

The CHAIRMAN. Thank you, Mr. Griggs, and we will release you at this time.

Mr. GRIGGS. Thank you, sir.

The CHAIRMAN. Our next witness is Mr. Max Hall, Engineering Services, Incorporated from Springdale. I think you are also representing Mr. Davison.

Mr. Hall.

TESTIMONY OF MAX HALL, ENGINEERING SERVICES, INC., ENVIRONMENTAL AND SANITATION LAND SURVEY AND DEVELOPMENT AIRPORT DESIGN, SPRINGDALE, AR

Mr. HALL. Mr. Chairman, Congressman John Paul Hammerschmidt, and Members of your distinguished committee, Mr. Davison has unfortunately been delayed due to the weather.

Mr. Davison asked that I read his statement for him, and also, Mr. Davison sends his regrets that he cannot appear before you and his most sincere appreciation to the Congressmen for holding your hearings in Northwest Arkansas.

I will now read his prepared statement.

Dear Congressman Hammerschmidt:

I am pleased to receive your invitation to participate in your committee Hearing on Saturday, September 8, 1990.

There are 22 Public Use Municipal Airports in the 3rd Congressional District.

This includes four Commercial Service Airports. Eighteen [18] of the airports are in the National Plan of Integrated Airports Systems. There are five heliports at hospitals in the 3rd District.

Attached are portions of the Arkansas Airport System Plan which identify and project expected growth in the 3rd District to the year 2008. The 3 volume Systems Plan was prepared in 1988-89 for the Federal Aviation Administration and our Commission by the engineering firm of Barnard Dunkelberg and Company and Garver and Garver, Inc. The plan is a guide for aviation development in the State of Arkansas. Our airports will be linked closely with economic growth and development.

The following attachments show:

1. Planning districts composed of counties with generally common socioeconomic considerations.
2. Arkansas airports in the National Plan of Integrated Airports Systems.
3. Forecasts of general aviation operations at public use airports. Those in the 3rd District are identified by county. These projections are based on population growth trends, number of commercial air operations for passengers and freight, and general aviation needs.
4. A record of state funds provided to airports in the 3rd District over the past five years. These funds are derived from sales tax on aviation fuels and aviation related products. No funds are received from General Revenue.

Problems: In general, the counties in north and west Arkansas are in far better shape in their local participation in airport development than most other areas of the state. The problem common to all is funding. In order to relieve some smaller communities of cash burdens, the Arkansas Aeronautics Commission has accepted payment in kind—the use of local city and county road and other equipment, as qualifying on a 50-50 basis in lieu of cash payment. Terrain features in northwest Arkansas are also a problem in some communities when developing or improving an airport. A current example in the 3rd District of these problems is the development of an airport at Marshall in Searcy County.

Sincerely, Fred Davison, Chairman, Arkansas Aeronautics Commission.

Gentlemen, there are a series of maps and charts attached here that he would have liked to have explained to you. I believe they are self-explanatory, and in the interest of saving time, they do follow along with the letter, and I will dispense with that.

[The prepared statement of Mr. Davison appears on p. 1687.]

The CHAIRMAN. Thank you.

Mr. HAMMERSCHMIDT. Mr. Chairman, by unanimous consent, I would ask that all that be made a part of the record.

The CHAIRMAN. Yes, it will be made a part of the record without objection.

Mr. Ellis.

TESTIMONY OF RAYMOND J. ELLIS, CHAMBER OF COMMERCE, AVIATION AND AIR TRANSPORTATION TASK FORCE

Mr. Ellis. Mr. Chairman, Congressman Hammerschmidt and Members of Congress. Thank you. We're happy to have you here.

About all I can say, at this time, is to second the motion of those who have preceded me.

I am a native of Arkansas, a long time resident of Fayetteville, and have an extensive background in air transportation.

I might add here that most of these gentlemen who preceded me in their statements, that we have helped all of them to get started in the airplane business.

Northwest Arkansas is located at the heart of the nation. It is at the crossroads of America. It is an educational, food producing, merchandising, and transportation area, all of which has made it one of the most progressive, fastest growing, and economical centers in the country.

The University of Arkansas with its state and nationwide impact is the nucleus and base from which the areas has grown, and it is the catalyst for continued growth.

We have some of the largest and leading trucking firms in the country based here. J.B. Hunt and Arkansas Best Freight. We have the leading poultry producers, some of which are Tyson's, George's, Peterson Industries and Hudson Foods, and we have one of the top merchandising companies, Wal-Mart.

All of these companies grew up and are based in Northwest Arkansas. All of them have contributed massively to the growth, development, and economic base of the area.

All of these institutions and businesses have used the airplane as a business tool in the building of their own businesses. They have made great use of our airports and air facilities, and created great demand for public air services. Efficient, convenient, and safe airports and air service are vital to them as well as to the general public.

Northwest Arkansas has an outstanding system of airports and airways facilities, and until now, these facilities have kept pace with the growth and development of the area. But they are being outgrown.

What we need now are improved airways and air traffic facilities and an air carrier regional airport, in order to meet the needs of this progressive area.

Drake Field, Fayetteville, which has served as the regional facility for many years, has one of the major, and most impressive emplanement statistics records in the central part of the country. These statistics have confirmed that fact and have exceeded the forecasts made in previous years.

Drake field is served by four commuter airlines having connections with five major airlines at hub cities in the surrounding states. This commuter airline growth developed from the earliest air service companies serving this area, with Scheduled Skyways and Frontier Airlines as the base, both of whom have been merged with newer, and larger, and more progressive airlines.

The commuter airlines serving this area are very positive in their need for an all weather airport meeting the national standards for a safe and highly efficient airport. A regional airport serving the public's need is vital to the continued growth and development of this area.

Of critical value to the national airport systems is the fact that a new airport facility which can serve Northwest Arkansas, can also serve mid-America as a reliever airport to alleviate congestion at major air hubs of the heartland. In relieving airport congestion, air space, ground access, noise and air pollution problems are relieved as well.

Federal and state transportation funds are available through transportation trust funds, up to 90 percent of which can be used for the development of airports and airport facilities. User taxes, federal and state, on airplane tickets, fuel, and sales taxes, have been accumulating in trust funds, and will continue to be paid into these funds.

Teams and organizations are ready to raise the local funds and to start the action. We are asking you to help us in this project.

Thank you, we appreciate you being here.

[The prepared statement of Mr. Ellis appears on p. 1671.]

The Chairman ANDERSON. Thank you, Mr. Ellis.

Mr. Rodgers, James Rodgers from Little Rock.

TESTIMONY OF JAMES R. RODGERS, AIRPORT MANAGER, LITTLE ROCK REGIONAL AIRPORT

Mr. Chairman, Congressman Hammerschmidt, Committee Members, ladies and gentlemen. I would like to thank you for inviting me to speak at your committee hearing to comment on the future infrastructure needs of Arkansas, especially as they relate to airport development.

For many a visitor to Arkansas, the airport delivers the first impression of our state. The airport is one of the most visual and tangible links in reaching beyond our borders. The business traveler, the increasing number of convention goers, the "Natural State" vacationers are all impressed with what we have to offer. The presence of quality air transportation is a state attribute. But the airport also serves as the backdrop for another thriving economic force. As an example, what has taken place in central Arkansas.

Beyond the airport, business leadership believes strongly that a growing Arkansas airline industry provides a catalyst for other opportunities that benefit the entire community and state. Our commitment to the future is evident with our long-term capital improvements to accommodate projected increases in air traffic.

In the next year alone, about $25 million will be spent on improvement projects already under construction. Two of those projects will be the completion of a new $60 million parallel runway that is expected to be operational in the Spring of 1991. The next is a 45 acre campus costing roughly $16 million for a tenant at Adams Field, British Aerospace. That is to be completed by the Summer of 1991.

But our capital improvement plan doesn't stop there. We project our needs for the next 10 years to be in excess of over $50 million to meet the ever increasing demands that are placed on our facilities. New and expanded access roads will be needed, land will have to be acquired, maintenance of existing and construction of new runways, taxiways, and aircraft parking aprons will be required.

I believe that now is a particularly appropriate time to reflect on the commitments that must be made by the various entities involved with providing a strong and healthy environment essential for the continued growth of aviation.

The various entities that must provide total support are:

1. Federal Government. We must continue to see responsive as well as responsible legislation out of Washington, such as the most recently passed Reauthorization Bill which now includes Passenger Facility Charges. Nothing is more frustrating to those of us in the industry than to see a doubling of the number of people we serve experience strains on the system; both in the air and on the ground, know that funds are being collected, and yet not made available to significantly reduce this ever increasing demand. The amount approved in H.R. 5170 for airport improvements, modernization of the airway system, research and development, and the FAA's operations and maintenance fund is never enough, but they certainly are much more realistic and given the ability to assess PFCs, they go a long way towards meeting the nation's need for increased aviation capacity.

The Federal Aviation Administration, also a partner, must also continue to be sensitive to the various needs of individual communities and how each need must address community concerns, but also fit into strengthening the overall aviation system.

The second partner, state government. The state agencies interested in promoting aviation development must understand that it goes beyond just economic development for a given community. It also requires responsible legislation and dollars to construct, expand, and maintain facilities. The right legislation can be fashioned into an extremely useful tool to help local communities become much more attractive in encouraging new entrants into a market.

And last, but certainly not least, local governments and authorities. The new voluntary charges and increase in appropriations, if approved, is the beginning of an opportunity to provide first class facilities for those living and visiting our communities. The traveling public deserves the best airways facilities system that we can provide.

The entities involved have made considerable progress in achieving this system, and it is certainly within our power to further consolidate this progress.

Thank you.

[The prepared statement of Mr. Rodgers appears on p. 1745.]

The **Chairman**. Thank you, Mr. Rodgers, and I am going to ask the question again that I asked before Mr. Griggs left, and I would like to have you comment on it, if you would, please.

How important is general aviation and the condition of the rural aviation facilities to the economic growth in this area? And that's to all of you.

Mr. **Rogers**. Mr. Chairman, we consider it extremely important. The facility that we have there in Little Rock is a joint use facility. Certainly air carrier NGA, utilizes that facility.

For Arkansas, being the rural state that it is, general aviation is almost essential. It's one of the primary means for our citizens to get throughout the state, and certainly beyond the borders.

So, we are extremely supportive and certainly supportive of any reliever type of facility that can be funded.

The **Chairman**. Any questions? Mr. Ellis?

Mr. **Hammerschmidt**. Well, Mr. Chairman, before Mr. Ellis makes his comment, let me tell you a little bit about Mr. Ellis.

He is the granddaddy of general aviation in Arkansas.

Mr. **Walton**. That's appropriate, John Paul, I'm glad you brought that up. Ray taught a lot of us how to fly a hundred years ago.

Mr. **Hammerschmidt**. That's right.

Mr. **Walton**. Go ahead.

Mr. **Hammerschmidt**. Well, I was just going to say that he's an institution here, and he is the forerunner of general aviation certainly in western Arkansas. We're delighted that he's with us today.

Excuse me for the interruption, Ray, but I wanted to tell my colleagues who you were.

Mr. **Ellis**. Thank you, thank you, John Paul.

General aviation is—let me explain this. In other words, air transportation is divided into three basic divisions. First, there is the military, then the air carrier, and all of the rest of the activities in aviation is lumped into one division, general aviation.

The greatest contribution that has been made to aviation in this part of the country is through general aviation.

In other words, even though our air carrier development has been important and contributed greatly, general aviation has contributed the massive benefits to this area.

Mr. **Hammerschmidt**. Let me also comment about the next person that's getting ready to respond. Max Hall is a general aviation pilot, not only of airplanes but of helicopters. He has a great war record in Vietnam and is getting ready to have one in the Persian Gulf, it looks like, because he's a reservist. But anyway, we are delighted to have you before us, Max.

Mr. **Hall**. Mr. Chairman, let me direct a couple of comments in response to your question there.

Over the last 20 years, in my private practice as a civil engineer, I have watched the growth of communities around the state. Those communities that have two items there, one a suitable industrial park, and secondly, a suitable airport, have experienced a fairly stable economy. We can look at other parts of the state and not see that.

In other words, those that have an active general aviation, and have a facility to get in and out, have been able to maintain their economic levels within the community, and have been fairly stable.

I think it's important to note that in some areas when FAA was not able, or the Arkansas Department of Aeronautics, to help a particular community retain their jobs or improve their jobs, the Arkansas Industrial Commission has stepped in and assisted numerous committees in Arkansas for economic development, and has recognized the value of the general aviation airports toward maintaining and improving the number of jobs within a community.

The **Chairman**. Any further questions?

Mr. Roe.

Mr. **Roe**. I would like to ask a question that's on my mind. What has been the growth in air freight?

Mr. **Ellis**. The growth in air freight has been tremendous in this area. For example, Federal Express has been a big factor. In other words, it has been served by companies like Federal Express, and United, UPS, and our air freight has grown tremendously. It would be hard for me to say just how much that the benefits have been, but I know that Federal Express has been vitally interested in an airport development in this area.

In fact, Fred Smith was a stockholder in Skyways back in the early days, and has been a supporter of it, and the air freight has been tremendous. I can't tell you the exact figures on it, but it has been a tremendous factor.

Mr. **Hammerschmidt**. Will the gentleman yield?

Mr. **Ellis**. Yes.

Mr. **Hammerschmidt**. Just as a matter of information, I think it's kind of interesting—you know, we are proud of our entrepreneurs in Arkansas, but Fred Smith started his business in Arkansas, and then later he moved it to Memphis, which was his home. But anyway, I wanted you to know that he started in Arkansas.

Mr. **Roe**. I'm just looking over the field to see how many firms are going to be moving from Arkansas into New Jersey. I just wanted to observe that fact.

I think the air freight issue is important, and I think one thing we have to get across is some people take the approach that to build another airport is an important thing—and of course, it is—but I think the way you are locking it into the economic development of the region with your trucking aspect, your highway aspect, into the intermodal relationship as far as air freight is concerned, I think is a vitally important issue and I thank you for your answer.

Mr. **Ellis**. They compliment each other.

Mr. **Packard**. Mr. Chairman?

The **Chairman**. Ron.

Mr. **Packard**. I'd be interested to know after you have reviewed the needs of your airport services for Northwestern Arkansas, do you feel that the existing infrastructure that you have can be upgraded and expanded to meet the needs and the future needs, or is it going to require new facilities? I'm talking now about passenger carrier as well as general aviation.

Mr. **Ellis**. The new facilities are vital in the airports and also in our radar controlled areas, and we have a vital need for it, and if they are in the plans to bring—of restructuring our airways, Northwest Arkansas is a key area in the reshaping of our airways and airspace, and there isn't any question but what new facilities like the regional airport—in other words, a control area, a center, we need, in connection with our control system. They are definitely needed. We will have to have new facilities in that respect.

Mr. **Packard**. Well, Mr. Chairman, if I may. Have local agencies identified, and regional agencies identified, a site for a regional airport, a new regional airport?

Mr. ELLIS. Yes. In other words, numerous studies have been made in the past, and local sites have been part of—are known. In other words, it should be located in the central part of the northwest Arkansas area, which is near the Tontitown area. The need at that location has been established.

Mr. PACKARD. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lightfoot?

Mr. LIGHTFOOT. Thank you, Mr. Chairman. Just a quick question. I got here under general aviation aircraft, and the people who have access to that with Bentonville, Springdale, Fayetteville, have some actual facilities to get in and out of. But as Mr. Walton mentioned earlier, that with his company, they like to bring people here for that face to face contact.

Do you have any idea how many people come into this area on a daily basis, who cannot get here because of a lack of commercial routes coming in that have to, say, fly to Tulsa and drive over on this road which needs to improved, or some other area? How many folks do we have on a daily basis that if you had a regional facility, would be coming right here, rather than spending many hours on the highways trying to get here?

Mr. WALTON. I could answer that probably as well as anybody—if you'll excuse me.

Mr. LIGHTFOOT. Sure.

Mr. WALTON. Would you mind if I reply to that?

Mr. LIGHTFOOT. No, go right ahead.

Mr. WALTON. You're the Congressman from Iowa, in fact, Shenandoah, right?

Mr. LIGHTFOOT. You've got it.

Mr. WALTON. I had this information awhile ago. We have an average now of over 1,000 vendors, suppliers, and manufacturers, visiting Bentonville a week, in an average week, at this point in time.

Ray knows better than anybody. He's been flying in and out of Drake Field for years. Many, many times that facility is not all right, because of the weather problems that we have, so often we have to rent a car in Tulsa, and I expect every third or fourth of them fly into Tulsa, rent a car, and drive to Bentonville. They have to get here the best way they can.

It's just very difficult to get in here from New York, Chicago, or from the Orient, or anywhere else, and so often, as good as the service is at Drake Field, there are many days that they can't get in because of the weather.

And of course, as our company grows, and as Tyson's and all these other small and middle sized companies in Northwest Arkansas grow, I think the problem is just going to be compounded.

I know that represents a fair figure, at this point, for Wal-Mart. If we do what we hope to achieve, that number is going to increase, and increase, and increase, and the problem will get greater, and greater, and greater, and more dangerous as well.

Mr. LIGHTFOOT. Thank you, Mr. Chairman.

The CHAIRMAN. Another question?

Mr. HALL. Mr. Chairman, let me add a comment.

As was said earlier, we have nine airports in Northwest Arkansas, not any of which are suitable for the purpose of today's needs.

There's nine up here, and not any one of them lend theirselves to expansion to meet tomorrow's need.

Drake Field has done us well over the years, and we have other airports that are very good for their use in the past, but for today's needs and tomorrow's needs, Drake Field, due to the terrain and the weather that's associated with it, it does not lend itself to further development, and cannot meet tomorrow's needs. It has done well in the past and we're certainly not critical of it.

So, the regional airport concept is a necessity, not only for today but for tomorrow, to meet the needs of the area.

The CHAIRMAN. Thank you.

Any further questions?

Mr. INHOFE. Just one comment, Mr. Chairman. Until such time as the regional airport is in place, we in Tulsa enjoy your business.

The CHAIRMAN. Okay. Well, thank you very very much for your presentation.

Mr. HAMMERSCHMIDT. Thank you.

The CHAIRMAN. Our next panel of witnesses will be addressing Surface Transportation needs. They are Dr. Thomas Larson, the Federal Highway Administration; Mr. Raymond Pritchett, Chairman of the Arkansas Highway Commission, accompanied by Mr. Maurice Smith, Director of the Department of Highways and Transportation of the Arkansas Highways Transportation Department; Mr. Bobby Hopper, Commissioner of the Arkansas Highway Commission; and Mr. Robert Young, President and Chief Executive Officer of the Arkansas Best Corporation.

Welcome, gentlemen, and if we could begin with Dr. Larson.

TESTIMONY OF DR. THOMAS D. LARSON, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

Mr. LARSON. Good morning, Mr. Chairman, our host, John Paul Hammerschmidt, and distinguished Members of the committee.

This is a very special treat for me. I have not had the privilege of appearing before such a large number of the Public Works Committee Membership.

I have worked on a more singular basis. I spent eight years in Pennsylvania as a Commissioner, and my Representative was Congressman Shuster, and I thought that was all I needed. It probably was. Since that time, I have gotten to know many of the other Members, and I have to say in a very sincere way and before this entire audience, that working with Secretary Sam Skinner, working with this distinguished committee is certainly the high point of my professional career.

I have been in transportation my entire life, and to work in this arena and to work in a topic area where people obviously care a great deal—As we listened to these distinguished Americans this morning, and heard of their goals and aspirations, and realizing that I can in some small way perhaps have an influence, is really a remarkable privilege for me to enjoy at this point of my life.

A few months ago, our host Congressman John Paul Hammerschmidt, stated in this committee's May 1989 infrastructure testimony, and I quote, "The development of infrastructure to support economic growth is crucial to the development of any area, and there is a legitimate role for the Federal Government to play in ensuring that all regions of the country are able to utilize their resources, develop the necessary infrastructure, and learn to bring about their own expansion and development."

It would be hard to begin with any better words than these concerning the role of infrastructure.

I thought what I might do is expand in just a few moments on the economic impact of transportation infrastructure, and then I will give a few observations on the present circumstance, because one of the functions of federal highways is to monitor the condition of the highways and bridges on a nationwide basis.

I will give just a few remarks on that, and then I will close with a few thoughts on reauthorization and why some of the things that are at least being thought about by the administration play very well here in Northwest Arkansas, in my opinion.

First on the matter of economic impacts, I had an academic background before I came into the public sector, and I'm pleased that my colleagues in academia are catching up with the practitioners and becoming willing to admit that there is, in fact, a very direct linkage between transportation and economic growth and productivity.

People like David Ashower in the Chicago Federal Reserve Bank, people at Harvard, people now on the President's Economic Council, are saying, "Yes, by George, there is an impact," and we can prove it economically. Mr. Walton knew that a long time ago, but there are now important people, and people that are advising in high circles, that are making important contributions in this arena.

One observation here that is important, and is that if there is going to be this productivity enhancement, if there is going to be this positive economic impact, there indeed has to be a targeting. You can't make random investments and have the kind of impact that you might want, and so here in Northwest Arkansas, we have heard of a pattern of investments that are intended to have a very particular kind of a consequence.

The interstate system that is now essentially complete had that advantage. It was a targeted system stating that here is a pattern of investments that will affect the country, and it would be hard to argue that that investment strategy has not worked in a very remarkable way.

Turning to the second topic, that of the current situation, there are a lot of things that make assessing current needs in a current situation very very difficult. It is indeed a slippery place to stand when you start talking about what are the needs, or what are the conditions, in a national sense. It's much easier to talk about the needs in Northwest Arkansas than for the United States of America, but that's a job that we have to deal with.

Travel trends, the condition of the roads at any particular point in time, the performance of the highway plan as to the congestion, all of these things have to be dealt with.

On an aggregate basis, in dealing with travel first, we see a continuing growth in travel, 2 to 3 percent, up through the year 2005. Historically, it has been higher than that, and clearly the energy availability can impact that dramatically, as we saw during the

70's, but we have to make a projection, and it is that 2 to 3 percent annual growth that we are anticipating.

It's very uneven. There are places in the country where it is growing much much faster than that, but that, again, is a national figure.

The condition of the nation's infrastructure, transportation infrastructure, is again an uneven picture. There are three areas where there are particular needs.

One is in the rural interstate highways. Those have shown a decline. The bridges on the federal-aid system have slipped, and in the urbanized area there is rampant congestion growth that is imperiling the growth in almost all of our major metropolitan areas.

In the metropolitan areas, congestion has become for many people the number one problem of an area. A poll taken, for example, in California, in the San Francisco Chronicle, a few months ago said that congestion in the Bay area is the number one problem.

Rush hours are now in some places extending all day and well into the morning and evening. It is an occurrence that has gone well beyond the peak hour phenomenon that we saw in the past.

One of the things about federal highways is that bi-annually we try to assess, using factors such as I have just named, and others, the national circumstance. The last report was June, 1989. And on the basis of the travel forecasts that I have mentioned, the condition that we find, we have anticipated a $606 to $703 billion need in 1989 dollars, over the period of 1987 through 2005. This would be to eliminate the backlog and meet, just meet the accruing needs, and if you take this into an annualized basis, you're talking about $32 to $37 billion.

Now, this doesn't deal with the congestion in the urban areas and it doesn't deal with the bridges. I won't go into all the bridge details, but we estimate that as another $100 billion, so that if you add up all of these numbers, the system needs for highways: $32 to $37; for bridges: $5; or a $38.3 to $42.3 billion national need, and this is a total investment, and not just the federal share. And I'm happy to say to Arkansas, my colleagues, and to all of the other states, that they have stepped forward magnificently to the responsibilities from a state level. That is one of the real success stories in our overall program.

We are doing things in non-construction ways. We are trying to institute in a very aggressive way, what we call intelligent vehicle highways, to make the highways safer for trucks, for cars, and to increase their capacity.

Certainly, in Chairman Anderson's district, we have some very exciting technology being used. But after all that is said and done, there still will be a very major investment. Certainly, as I have listened here to the needs in Arkansas for Highway 71, and 412, these are needs that are going to have to be met in the good old fashioned way, by building added capacity, by improving what is there.

The last point that I was going to make and this will play back to the Arkansas circumstance, is regarding what we see for the future.

Secretary Skinner has had a very aggressive program of listening and traveling. I think that it would be hard to find a Cabinet Secretary who has made a greater effort to learn the business and to meet the major actors in the business than Secretary Sam Skinner has done over the past months.

As a result of that, a policy statement was advanced. It was advanced as a framework, a framework within which all the players could find the kind of support that they needed.

Some of the things that we believe are important from that policy.

First, that the balance in the Highway Trust Fund should be used in a fiscally responsible manner.

The Trust Fund, interestingly, is probably one of the many unfortunate fall outs of the Vietnam War. That balance started in the 1970's, and has consisted, by and large, in an even fashion since the 1970's. We believe that that is a resource that should be used.

We think that there should be an increased reliance on user fees, and we want more private sector involvement, and we certainly want to give the states more flexibility to do what they are already doing very well, even better.

Coming back to Arkansas, we think that for 412 and 71, there are some solutions, in the Administration's thinking, at least, up to this point.

We would propose that tolls be permitted, that there be a commingling of federal and private monies, to advance toll projects.

Oklahoma is doing this. I'm proud that in my state of Pennsylvania, we will soon be celebrating the fiftieth anniversary of the opening of the Pennsylvania Turnpike, and it is that continuing growth and continuing financial viability over all those 50 years that has been a major asset to Pennsylvania.

We are putting together, in our thinking at least, and we have requested from the states their thinking, about a highway system of national significance. We would like the states to tell us—we're not going to tell you—we want you to tell us how you want to put together a system of national significance.

Chairman Anderson and Chairman Mineta have, in fact, for California, a first cut at a system of national significance for that state.

And finally, the idea of public-private partnerships of one kind or another. I have heard that word a lot. The kind of power that was represented here in the first panel would seem to me to suggest that there are all kinds of options for putting together new partnerships to get these jobs done.

I can't believe that with what has been accomplished here in Northwest Arkansas, that these two little projects are going to stop you for very long. I'll be amazed if that is, in fact, the case.

Well, we are just delighted to be here as part of this hearing process. We believe that investment in infrastructure is in the very best sense of the word, an investment in America's future.

We think that Secretary Skinner's policy is a framework within which we can do our strategic thinking about transportation. It shapes the thinking of us in the DOT well into the year 2000, and we would like to say that it is the reauthorization process working with this committee and with the Congress, that is the way in which all of this strategic thinking is going to be put into action.

So, again, I am delighted to be with you. This is a privilege of an unusual dimension, and I certainly wish all of the new found friends that I have found here in Arkansas every success as they move forward, and it is going to be a privilege to work with Congress on reauthorization.

Thank you very much.

[The prepared statement of Mr. Larson appears on p. 1702.]

The CHAIRMAN. Thank you, Dr. Larson. They say that you have to leave here at 11:10 to catch an 11:40 plane. I have one question, and if it doesn't take too long, maybe somebody can answer. Let me ask you one before we ask the other Members.

Dr. Larson, we have heard a lot about Highway 71. How do you see this important link fitting into the system of national significance, the proposal that you are developing?

Mr. LARSON. The system of national significance, and we have had direction from this committee to start our thinking about this system, is a system that has to grow from the state level upward.

I can't imagine that one could be successful in relaying on any kind of a national system from Washington. It would be a foolhardy enterprise, in my opinion. So, we have asked the states to give us their thinking, and I would think that if the folks from Arkansas have been listening here this morning, as I have, they would certainly want to give very serious consideration to this project as being part of the system for Arkansas.

That, in our thinking, and this is very preliminary and has not had the benefit of all of the input from this committee obviously, but our thinking is that this national system would have priority. It would have higher match ratio, it would have an expectation of tighter management, better maintenance, something that Chairman Mineta cares about a great deal. It would have priority in a whole lot of ways so that this would be the system on which the entrepreneurs that we have had with us this morning, would be able to move their commerce.

We think this system of national significance is what is going to extend the concept of the interstate system more broadly across the entire market areas of the United States.

The CHAIRMAN. Any other question that anyone has before Dr. Larson has to leave for the airport?

Mr. MINETA. Very quickly. Since that letter I directed to you asking you to get together with AAHSTO, the American Association of State Highway and Transportation Officials, to come up with a definition and criteria for highways of national significance, what is the progress of this, and when do you anticipate that you will have some definition of what we have agreed on as being highways of national significance, to take the place of the interstate defense highway system?

Mr. LARSON. Well, Chairman Mineta, the process got off slowly because of the requirement that we work with a lot of folks.

Internally, we have worked with OMB. Externally, we have worked with AASHTO and with local governments, to craft a specification that would get us started.

We will have a first look at this in late September or early October, and it will probably be towards the end of his year in 1990 or early into 1991, before we could come back with what we would call our first cut.

My sense though, is that this is going to be a negotiation process. If the selections in Arkansas don't meet all the criteria, then we are going to have to go back to the drawing board.

So, I would see a reiteration of this exploration and definition that will go on probably almost up to the time of reauthorization.

Mr. **MINETA**. Well, I would hope that by the time we put our draft legislation together, that we will have some good ideas as to what that criteria might be.

Mr. **LARSON**. You will have those.

Mr. **MINETA**. Thank you very much, Dr. Larson.

The **CHAIRMAN**. Mr. Packard.

Mr. **PACKARD**. I simply wanted to encourage Dr. Larson to look carefully at the north-south and the east-west voids that now exist in this particular area. I think that has been graphically described and demonstrated to us, and certainly that is where we would see the national significance, more than just the local problems that exist.

Mr. **MINETA**. Will the gentleman yield on that basis?

Part of that problem, though, is going to be on how to balance regional needs. Vehicle miles travelled is very important here in Arkansas. In the far west, it may be total road miles. So, the question is, how do we balance those as we determine that?

Mr. **LARSON**. Mr. Chairman, if I may.

On the question of north-south versus east-west, if you look at a map of the interstate highway system, and I happen to have one in my office so I look at it pretty often, it seems clear that sort of the westward ho mentality prevailed when the interstate system was laid out, and we have had a number of inquiries regarding north-south routes, whether it is Shreveport to Kansas City, or whether it's the Avenue of the Saints, or I could go on and name them. But certainly there is a very pronounced recognition of the need for stronger north-south connectivity.

Thank you, Mr. Chairman.

The **CHAIRMAN**. Okay.

Mr. **HAMMERSCHMIDT**. Mr. Chairman, just one last comment.

Dr. Larson, are you going to try to catch that 11:40?

Mr. **LARSON**. Yes.

Mr. **HAMMERSCHMIDT**. I just want to make a closing comment, if I may, Mr. Chairman.

The **CHAIRMAN**. Go ahead.

Mr. **HAMMERSCHMIDT**. I am delighted to hear you comment about the possibility of a toll road and maybe the subsidization or mixing of those funds. We can discuss this further in Washington, and I know we will, but you know, I am going to discuss it with Chairman Pritchett, and Commissioner Hopper, and Mr. Smith, our Director, and users like Robert Young, and Wal-Mart, and Tyson, and so on, but I think that may be part of our answer. But we will discuss that further in Washington.

Thank you very much for the taking of your time to be down here from Washington on this weekend.

Mr. **LARSON**. Thank you very much.

Our next witness will be Mr. Raymond Pritchett, Chairman of the Arkansas Highway Commission.

TESTIMONY OF RAYMOND PRITCHETT, CHAIRMAN OF THE ARKANSAS HIGHWAY COMMISSION

Mr. PRITCHETT. Thank you, Mr. Chairman. Gentlemen, we welcome you to Arkansas. We join those others that have already welcomed you to Arkansas. We are very proud of our state.

With me today is the Director of the Highway Department, Mr. Maurice Smith, and Mr. Bobby Hopper, who you are going to hear from, our Vice Chairman of the Commission, Ron Herrod is also here, along with our Assistant Director, Chief Engineer, and Assistant Chief Engineer.

We look at this as a very important event and a very significant one for the Arkansas Highway and Transportation Department and appreciate the opportunity to be involved.

Thirty-four or thirty-five years ago, the federal transportation policy pretty well focused on the interstate highway system and it is a notable project. I doubt that anybody would argue much that it is probably the most fantastic public works project in the history of the world.

For the last 12 to 15 years, we have been complete with our interstate highway system. We were among the first, and we have patiently, and sometimes impatiently, waited on our sister states to complete their portions of the highway, and there is a growing feeling in Arkansas that we have paid the price for being first and being very responsive to that program.

When you start allocating interstate funds, our's is zero, as far as new construction, and has been for a decade.

More recently, the Congress turned its attention—and I am going to come at this thing from the whole statewide level. Director Smith and Mr. Hopper will talk in specifics about Northwest Arkansas.

You get a lot of different viewpoints, because what Mr. Larson viewed as two little projects down here, sometimes seem almost insurmountable to us in Arkansas, for reasons that I am going to explain to you in a minute.

Congress addressed its attention to this Lower Mississippi Delta Study Commission, and they appointed a blue ribbon committee and these people worked for way over a year and held hearings all up and down the Delta in seven states, going up as far north as Illinois and down to Louisiana and Mississippi.

In their report that has gone back to Congress, they tried, and I think successfully did, draw a link between the relative poverty in the Delta, due to the fact that a lot of the Delta was left out of the interstate program when they were drawing the map in the mid-1950's. I plead guilty. I didn't have anything to do with that, I was in Junior High School in Lepanto, Arkansas, at the time.

Also, they came up with some specific transportation projects that they would like to see done. Most of them are in Eastern Arkansas, but it should be noted out here that one of the important projects that they came up with as a regional project was Highway 412 between Tulsa and Nashville.

As I look at the map that they presented in their report, from the vantage point of a Highway Commissioner who has served now almost 10 years, I thought to myself that if for most of those 10 years, if not all, if Arkansas had not been a donor state, and had the minimum foundation been at 98 percent instead of 85 percent, there probably would have been enough money to make significant improvements on most of those projects from federal funds that now exist, but that were deferred to other states for various reasons.

I checked that with our Chief Engineer and he concurred that that was the truth, and about two months ago, Secretary Skinner was in Little Rock viewing the flood damage in Arkansas and I raised that issue with him. He came back very quickly and raised the issue with me that Arkansas is a nickel behind the national average in fuel tax, and I have reflected on that, that as a result of those two policies, a state policy which lags behind in funding rural, city, county, state highways, a federal policy that takes money that's sent up there from Arkansas in the last fiscal year of $73 million—which is a lot of money to us here in Arkansas and it doesn't come back—a combination of those things, in my term since I've been here, is way over a billion dollars, and enough money to do, and probably to have completed, all those projects that we've talked about here today, and others in the eastern part of the state.

And to the degree that that Study Commission was correct in their assessment that the lack of transportation infrastructure has contributed to the poverty of the Delta, to that degree, the federal policy and the state policy that we've had in the last decade in Arkansas, smacks of being an immoral policy, and the problems with that can be defined in human terms. There is poverty in the Delta of Arkansas, and in this part of the country, it is probably as meaningful, because there are people from Northwest Arkansas that are prohibited from reaching their full potential, and that is something that is almost as devastating and shouldn't happen in a country like America.

We on the Arkansas Highway Commission are working feverishly with our legislature and our people to correct the policy deficiencies that we have in Arkansas of not staying at the national average.

There are a couple of reasons we ought to be above the national average. In our Highway Fund, we have a more than generous split to cities and counties, and I'm not opposed to that, but that is a justification for being above national average.

Also, we operate the sixteenth largest highway system in America. We have 16,183 miles on our highway system. I think we have got more roads than New York and California. We probably have too many, but I am a rural road kind of a guy from Lepanto, Arkansas, and so I am not opposed to that either. I am just saying that those are two reasons why we might in Arkansas in our public policy be above the national average, but in my 10 years as Highway Commissioner, we have been at the national average for five months, and there have been millions and millions of dollars lost because our public policy was not that we were going to stay at least at the national average.

If we correct that in Arkansas, and we get rid of the term, "donor State"—incidentally, five of the seven states in the Lower Mississippi Delta Study Commission are, quote, "donor states," and

I just think that is an indictment of the federal policy that we have now.

As you gentlemen have the awesome task of restructuring the transportation policy of the country, it would certainly be the hope of the people of Arkansas, and the Arkansas Highway Commission, that the minimal foundation be lifted a great deal from 85 percent to 98 to 99 percent, so that we no longer would be a donor state, and we could take those billions of dollars, that if this policy is not changed, we are going to lose in the next decade, and I think if we do that, we can take care of it, and we will have a celebration here in 10 years, instead of a longer list of complaints. We could take care of most of the problems in Northeast Arkansas.

I think it has gotten to the point that this allocation procedure is immoral, and our state and public policy is immoral. We are going to change our's, and I certainly hope that you change your's.

Thank you.

[The prepared statement of Mr. Pritchett appears on p. 1730.]

The CHAIRMAN. Thank you, Mr. Pritchett.

Mr. Maurice Smith.

TESTIMONY OF MAURICE SMITH, DIRECTOR, DEPARTMENT OF HIGHWAYS AND TRANSPORTATION, ARKANSAS HIGHWAY AND TRANSPORTATION DEPARTMENT

Mr. SMITH. Mr. Chairman and Congressman Hammerschmidt, and Members of the committee.

I have just a short overview of the Arkansas highway infrastructure needs.

Arkansas, at this time, is at a critical point in a gap between revenues and needs.

The increasing use and the age of our highway system has caused an increase in deterioration, meaning the spending of available funds on preservation, which is a must.

There is an increased statewide demand for additional four lane highways and mobility for economic development, and additional capacity in our urban areas because of heavy traffic volumes.

Our needs study currently underway indicates that over $7 billion, or approximately $700 million annually over the next 10 years would be needed to meet the roadway and bridge needs and corridor improvements in this state.

On the revenue side, Arkansas is faced with the possibility of remaining a donor state, under some of the future legislation being proposed. We are facing the further reduction of about $50 million come October under the Gramm-Rudman-Hollings Act, and at the state level, we continue to have funds escrowed in the state courts from a weight and distance tax, that currently is the law in Arkansas.

Currently under $200 million is available to meet the needs we discussed and this amount will not even allow us to maintain the status quo. The Middle East crisis may even cause a reduction in the existing revenue.

Over the past few years, we have been making progress on upgrading some of the major corridors to four lane, and have been making plans to continue an expansion program. However, the needs study will cause us to turn our attention more towards preservation. Why? The condition of the state's existing highways and bridges must be improved and measures taken to prevent further deterioration. This will take all of the existing revenues, and severely curtail, if not bring to a halt, the four lane corridor development.

In order to have the program needed, additional funds will definitely be needed at both the state and federal level. Timely completion of four lane and major routes is one need the Commission faces at every corner of the state, and must be addressed in any future program.

For example, it will take a minimum of $180 million to complete Highway 71 between Fayetteville and I-40. Even if we continue in the future as we have in the past to spend $20 million annually, you can readily see that it is not a timely completion for this, trying to improve these highways for Northwest Arkansas.

We must also be aware of the proposed highway legislation. One issue that concerns us and would directly impact future corridor development, is the amount of miles allowed on the national highway system. All of Highway 71 in western Arkansas may not be included in the system now being proposed by the Administration.

We are going to leave you with a paper that will go into detail on these items that we've discussed briefly here today, and this paper will also contain more of Arkansas' needs for the future highway legislation. Information is presented for your consideration on the need for improving Highways 412 and 71.

We thank you for this opportunity to give you our overview of the problems in Arkansas.

I got to thinking this morning when the first panel was up here, with the needs that we have annually, if you all could just take us out of the Highway Trust Fund and give us Sam Walton's corporate income tax, we wouldn't bother you anymore.

The CHAIRMAN. Thank you, Mr. Smith.

Mr. Hopper?

TESTIMONY OF BOBBY HOPPER, COMMISSIONER, ARKANSAS HIGHWAY COMMISSION

Mr. HOPPER. Thank you, Mr. Chairman, Congressman Hammerschmidt and the rest of the committee, welcome to Northwest Arkansas.

I would like to take this opportunity to present the needs for Highway 412 transportation infrastructure improvements in Northwest Arkansas, an area which happens to be one of the fastest growing metropolitan areas in the country.

The focus of my presentation is that there is a need to provide a partial SS control four lane facility between Springdale and Siloam Springs.

Highway 412 is the principal artery connecting the fast growing Northwest Arkansas urbanized area with Tulsa, Oklahoma, and eventually the major interstates to the west such as I-44 and I-40.

Once the plan of a four road toll facility adjacent to U.S. 412 and eastern Oklahoma is completed in late 1991, the segment of U.S. 412 between Springdale and Siloam Springs will be the last remaining two lane link between the Northwest Arkansas urbanized area and Tulsa.

To the east, U.S. 412 provides the only east-west artery across north Arkansas. The immediate need for the improvement of U.S. 412 between Springdale and Siloam Springs is demonstrated by the average annual traffic volume, and the geographic deficiencies of the existing highway, and the resulting high accident rates.

The current volume along this route varies from 8,600 on the eastern end of this segment to about 6,000 near the center.

Traffic volumes are expected to show substantial increases in the next 20 years, and by the year 2010, a volume in the 10,000 to 13,000 range, with trucks comprising about one-fifth of the total traffic volume.

The high traffic volume will cause serious safety problems and intolerable delays for the motorists on this route.

The accident data on this route also points out the need for improvements. Two-hundred forty accidents have occurred on this segment in the last two years. A single one mile segment in the last three years, has had 50 accidents due to inaccurate sight distance and sharp curves.

Because of the adjacent development and numerous residents among the poor existing alignment, very little can be done on this route to eliminate the many highway deficiencies.

Accident rates have averaged 3.63 accidents per million vehicle miles on this route, which is more than twice the statewide average of 1.74 for the two lane rural highways.

Because of the documented need for this facility, the Arkansas Highway Commission has placed a special emphasis on the upgrading of this 20 mile segment.

By Amendment Order No. 89-462, the Commission authorized surveys, plans, and construction of a four lane divided partial access control facility located on a new location.

Although the priority on this route is well established, the fact remains that this project is estimated to cost $60 million, and cannot be completed within an acceptable period of time with the limited funding resources available.

Recognizing the importance of this route and the funding limitations, this route is included in the department's toll road study. If this route proves to be infeasible as a toll road, it might take the department up to 20 years to complete the upgrading of this 20 mile segment, because of the state limited fund resources, even though the need for this project is evident today.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Hopper.

Mr. Robert Young.

TESTIMONY OF ROBERT A. YOUNG, III, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ARKANSAS BEST CORP.

Mr. YOUNG. Mr. Chairman, I am the President and Chief Executive Officer of Arkansas Best Corporation and ABF Freight System which is headquartered in Fort Smith, Arkansas, about 70 miles south of here. John Paul Hammerschmidt is my Congressman. You need to know that I served as a Page for his immediate predecessor, to give you an idea of how long he has been in Congress. He made a convert of me though, over a period of time.

A.B.F. is a common carrier of general freight. We specialize in shipments weighing less than 10,000 pounds. Last year, we had about $630 million in revenue. We currently are averaging about 20 million miles a month on our nation's highways, or almost a million miles a year. We have 316 terminals located in all 50 States and in Puerto Rico, and in Canada, and we have about 10,000 employees nationwide and in Canada.

My primary interest, as you might have guessed, is in the repair and expansion of our highway system.

Our nation's highways are the vital link that allows the movement of 85 percent of all the furniture, fixtures, and appliances, to market in this country. In addition, 80 percent of all the food, rubber products, and plastic goods produced in the United States, move by truck, and over 70 percent of all the lumber, wood products, and an equal amount of steel, sheet metal, cable, wire, rods, and that type of thing, move over our nation's highways.

Now, in Arkansas, we have the communities of Almond, Tomato, Strawberry, Grapevine, and Appletown to wet your appetite a little bit, and we also have towns named Ben Hur, Pocahontas, Jefferson, Lincoln, and Madison. And right here in Arkansas, if you are an international traveler, we have Atlanta, Boston, Cleveland, Bismarck, Hollywood, Austin, Houston, Denver, Salem, and West Point, Arkansas.

Now, these communities in Arkansas all have one thing in common, they are all served daily by truck. Trucks are in all communities in the United States, and two-thirds are served only by truck.

When one considers that most of America is dependent upon truck transportation, it is a bit disturbing to learn, and I read that 60 percent of the miles in the United States need some form of surface rehabilitation, and over 40 percent of our bridges in this country are structurally deficient or obsolete, and most of us, I think, are well aware of the urban congestion that we have, primarily on either end of our country.

It has been estimated that by the year 2005, traffic delays caused by inadequate roads will cost the United States close to $50 billion a year in lost productivity and wasted fuel.

The impact of inadequate highways in Arkansas is substantial. I drove up Highway 71 this morning, and I had to allow two hours to cover that 70 miles. It is a narrow two lane twisting turning federal highway, and it is the only route from Fort Smith to the Fayetteville-Springdale-Rogers area, which is the corridor of Arkansas that is growing the most rapidly.

Now, I know that there is work being done on that and our State Highway Department, with help from the Federal Government, is doing what they can, and eventually, if I live long enough, I suppose we will have an adequate highway in that route, but it is going to be awhile.

As a substantial user of the nation's highways, I would like to see the following four things happen:

I would like to see more interstate highway miles authorized. Right now, I think there are 4,004,000 miles of highways nationwide, and 155,000 interstates, carrying 55 percent of that traffic—or 45 percent of that traffic. That means that only 3.5 percent of our nation's highways are carrying 45 percent of the traffic.

I would like to see us—and this is not something new you have heard today but it may reinforce it once again—I would like to see you spend the money in the Highway Trust Fund to repair our existing highways and bridges.

I would like to see us triple the amount of money being spent on highway research. I am told that two inches of additional thickness in concrete pavement would double its life span and add only 3 percent to the cost of a new highway.

Spending more on the front end could reduce the never ending inconvenient dangerous repair of our highways. I don't know how many of you have almost been in an accident when you approach a construction area. They are very dangerous. It is dangerous for motorists, and it is dangerous for the people working on that construction.

We need research to tell us how. We should consider setting up 10 different research centers, each governed by a Board composed of representatives of five different State Highway Departments that would involve all 50 States, and the research done by these 10 geographically dispersed research centers could focus on different soil types, on different climatic factors that affect the highway construction techniques, and the longevity of pavement.

What I want to do is do some research so that when we spend the money, we spend it well.

Once we begin to spend the growing balance of the Highway Trust Fund, then I think we need a planned increase in the highway fuel taxes that could be considered for new construction.

It has been shown recently in several states—and Mr. Chairman, in your state particularly with the referendum—that the public will vote for taxes for highways.

Because highways take us from state to state, I think it is appropriate for our Federal Government to provide leadership, matching dollars, and oversight, for an expanded national system of safe and productive highways.

If America's industry is going to compete effectively in the worldwide marketplace, our far flung nation must have safe, efficient, convenient transportation to compete with compact communities like Japan and Western Europe.

Thank you very much.

[The prepared statement of Mr. Young appears on p. 1842.]

The CHAIRMAN. Thank you very much, Mr. Young, and I want to thank the panel, and I will start off with my question as the first one.

As we consider reauthorization of the Surface Transportation Program, and that is going to be the big thing, what issues are most important from your perspective?

Do either one of you want to comment on that?

Mr. PRITCHETT. What one issue—all right, this is going to be one sentence with some commas in it—I think from my perspective——

The CHAIRMAN. Excuse me, Mr. Pritchett, could you pull the microphone up to you? We can't hear.

Mr. **Pritchett**. From my perspective over the last 10 years and looking forward to the next 10 years, I think it is, the issue is going to be funding—now the three commas are—spending down the Trust Fund, removing the donor state status, and probably taking a look at all of these ambitious plans, if 25 to 28 percent is enough of the funding from the federal level, or should there be more from the federal level—local, state and county, about 72 percent or 75 percent, I'm not sure what it exactly is nationwide—but I think in the area of funding, we need some more discretion in the states. This system of the highway national significance might give that.

But we need to spend the Trust Fund down and keep it spent down. We need to do away with the minimum foundation of 85 percent, because it costs us millions of dollars every year, and I include the mass transit penny in that, too. You gentlemen are not going to spend a lot of time waiting on subways in Springdale, Arkansas, or anywhere in Arkansas, while you are here. And to take a look at whether 25 percent is adequate for the federal contribution to this whole thing.

That is my answer.

The **Chairman**. Mr. Hammerschmidt, any questions?

Mr. **Hammerschmidt**. Well, let me thank you all for giving this good testimony. Did you give us some figures on what the total needs are on highways and bridges for, say, the next five years? Is there a found figure for that in Arkansas? If you had all the money you wanted, what would you spend it for?

Mr. **Smith**. If we had all the money we wanted, we would spend about three and a half billion dollars.

Mr. **Hammerschmidt**. Three and a half billion.

Mr. **Smith**. Yes, sir.

Mr. **Hammerschmidt**. I was thinking it would have to be a high figure.

I guess the point I want to make is here, we are a pay as you go state, and I am proud of that fact, because we don't have any Bond Issues hanging over us, and that's great. But because we are, we cannot build like states that pass big Bond Issues and let contracts all at the same time, or we don't have toll road subsidizing of the roads like Oklahoma does, where they let the contracts all at the same time.

But just to be sort of the devil's advocate, if we took all the money out of the Highway Trust Fund—let's just say that we just took it out and gave Arkansas their share—you would get a windfall of about $140 million. Let's say that Congress received the obligational ceiling cap right now, you would get another $69 million. Now, those are big figures and they would help, and you know, we would be delighted if we could do that, but the point I guess I want to make is, it would not solve our problem. We have to have more money in highways and in surface transportation some way or another.

Now, you mentioned that Secretary Skinner said we were about a nickel behind on taxes. What would a nickel tax bring into the state annually?

Mr. **Smith**. It would bring us back, the State Highway Department now——

Mr. **Hammerschmidt**. Yes.

Mr. **Smith**. Not counting the portion to the cities and the counties—it would bring us about $55 million.

Mr. **Hammerschmidt**. $55 million a year. Okay. I was just kind of getting things in perspective. You have got a big big problem, and even though the Federal Government and the state is totally involved and cooperative, the dollars just aren't there right at the time. Isn't that about right?

Mr. **Smith**. That's correct.

Mr. **Hammerschmidt**. But now, toll roads, if you get off into toll roads and users begin to pay in that area, on highly travelled roads, and you had a system whereas you could take Trust Fund money and use it to subsidize the part that the toll road wouldn't pay for itself, then we might get somewhere. Is that your opinion?

Mr. **Pritchett**. We are, and this is kind of in response to a question asked earlier of another panel, but we have hired a consultant to look into several routes in Arkansas for toll facilities. The route has been talked about between the Oklahoma State line and Springdale and Siloam Springs. That report will be due next month. It is a little premature for us as far as that consultant's report is due.

I was encouraged this morning to hear you ask the questions that raises the possibility of subsidization of total revenues to whoever would buy the bonds in this thing, because that means that when we get our study back, it is not necessarily yes, or no. There is some gray area in there, and the state law would have to be changed for the state to do some subsidization in that, and possibly the federal law would have to be changed, but it opens up some more possibilities.

Mr. **Hammerschmidt**. Yes, the federal law would have to be.

Let me ask this. I don't really know, and I don't remember what happened. But do you remember back in the Winthrop Rockefeller days, he had a commission study made by Wilbur Smith & Associates, on 71. If I remember right, the bottom line was, "We can't sell the bonds, because the traffic isn't there to pay for it."

But let's say it was 80 percent feasible, then you would have a 20 percent subsidization. It is along that line that we would be thinking, I assume.

Oh, my question was, is there a toll road authorization? I remember there was a commission appointed that never did——

Mr. **Pritchett**. I'm Chairman of the Toll Road Commission.

Mr. **Hammerschmidt**. So, you are the Chairman of it, too.

Mr. **Pritchett**. Right. We had about $1,500 in the bank when I took over, and I think it is up to $1,800 now.

Mr. **Hammerschmidt**. But you have legislation already in place.

Mr. **Pritchett**. We have legislation in place to have a Toll Road Commission and prohibitive legislation almost to have toll roads. There are circumstances, which is kind of understandable. But now, there is a lot of legislative activity in Arkansas.

Senator Malone, Senator Fitch, up here, along with many others up here, they passed a resolution asking the Highway Commission to engage in this subject.

There is a lot of interest in it. It is not only in Northwest Arkansas, it is all over the state.

I think the interest would be translated in we have to turn over every rock in Arkansas. We have got to make our resources expand as far as we can and in as many areas as we can, in order to do that, and we are looking at that very seriously right now.

Mr. Hammerschmidt. Thank you very much. We appreciate your testimony and your responses.

Mr. Roe. Mr. Chairman?

The Chairman. Mr. Roe?

Mr. Roe. I have got fifty million questions to ask. I look like I'm a quiet person, but I wanted to listen, and I feel a little bit like the skunk at the garden party, at the moment.

Number one, New Jersey is also a donor state, and I can share with you the feeling of seven and a half million people in the State of New Jersey when we built the Tombigbee program and rebuilt the water resources and so forth in the south, and we are a donor state too, so I think we have to take the donor issue and put it into perspective, as to the infrastructure like in the capital improvements industry as we do in our state too.

However, I would be concerned, and I'm concerned in listening to you today, about a system of national significance. What does that mean, and I assure you as a Member of this committee, I am going to look into that very very carefully, because New Jersey, to me, is in the system of significant—what would you say—the system of national significant need—if I'm making my point clear, okay?

There is one thing missing that bothers the living hell out of me—if you will pardon my language—is that we spend the time talking about how we are going to spend money, what we are going to do to raise money. There were some comments made and I think they were properly made and I think Mr. Young made the point at the tail end of your statement, when you came back and said, "If we are going to deal in a global economy.." which we are clearly in now, the assumption that it is just the United States and our marketplace here now, would be the most shallow thinking we could have. We are already in an international global economy, and it seems to me that we ought to be able to add a dimension to the research work we're doing. You mentioned research and what we are going to be doing here, from the point of view of evaluating for every dollar that we spend, what do we get in return?

Nobody speaks to that issue. They use the nebulous term called "productivity." I don't know what "productivity" means, and I don't think I am, uneducated, because everybody has a different definition for the word "productivity."

But one thing is for sure, one thing is an absolute positive fact—I mean the analogy I gave this morning about the George Washington bridge, one of the seven engineering, or just say, wonders of the world, if you like—but we have paid for it 50 times over, because we created it in the first place.

So it seems to me as we talk about national policy, and we are looking to how we resolve it starting here in Arkansas, we ought to add that for every dollar we spend, what does it mean in economic gain to the country, so that we are not talking about spending money, but what we're saying is, if we invest a billion dollars, we are going to get two and a half billion in return, and that is where the criteria ought to be evaluated.

That is my opening speech for the new seat that is going to come up here.

But I do think when we evaluate it, and John Paul and I have talked about it, and Glenn and I have talked about it, and while I have got the Floor, if my colleagues will indulge me one more minute, I happen to believe that science, space technology, and education, is the foundation of the future of the new wealth to be created in this country. That is where it is going to come from.

And the second point, one comes back and says, if we are going to compete globally, then we ought to be making the investment, we ought to be establishing a policy in transportation, in all intermodal relationships of transportation, as to how does it affect that economic aspect of it. How do we compete internationally, how do we get our products to market at the least possible cost.

The reason the Soviet Union is having such a terrible time right now—or for 10,000 reasons—they have no distribution system.

So, I would hope that when the committee looks into the issue of systems of national significance, what might be nationally significant in X state or Y state may not be in another, and I would hope that we would establish a policy that has a broader relationship of dollar expenditure, the money we are spending, if we get something in return.

We have got to tell the Congress of the United States, including the President of the United States, that when you are asking to spend the taxpayers money and we put the money into the Trust Fund, well, don't come up with a recommendation that shields the deficit and the budget, spend the damn money, because it is going to create new wealth, and Congress has to understand that, when they are balancing hopefully, or at least cutting the deficit by $50 billion. You don't throw away the baby with the bath water.

I thank you, Mr. Chairman, for indulging me.

Mr. **Pritchett**. May I respond briefly?

The **Chairman**. Mr. Pritchett.

Mr. **Pritchett**. In Arkansas, in the last two to three years, we have looked more at this cost benefit analysis than I think we have in the past.

We are hampered on doing this with federal funds, because the criteria that is set is pretty much transportation criteria—safety—but we have tried to look past that locally in Arkansas, and our planning and development districts in the state have run a cost benefit analysis for improving the infrastructure—primarily highways and bridges—but the infrastructure, as a whole.

Of course, you know, a lot of people take issue with these cost benefit studies, but I just don't—in real life, I am a country CPA, and I know a little bit about numbers, and I judge them to be realistic.

It does—I share your concern—It does produce some enormous rewards. Unfortunately, in state policy, most of the rewards are talked about in terms of general revenues and not designated fuel tax revenues. It is almost like we've used fuel taxes to do something that is going to provide a whole lot more sales taxes and income taxes, and that's great, I mean, it goes for education and human services and things like that, but it doesn't build any roads.

Mr. MINETA. Will the gentleman yield on that point. I would like to follow up on that.

When you talk about cost benefit standards, from your perspective, the State Highway Commission, the State Department of Transportation, do you think that federal requirements are too design specific and should we instead maybe reduce those design specifications and go to performance standards instead? So, we're saying, we don't care how you build it, but these are our standards, we want this road to last 20 years, we want the bridge to, whatever again the standard is.

Are we saying, you know, in our specs, are we saying the pavement has to be 13 inches and the subsurface has to be eight feet and whatever it is, and are we being too design specific and killing the cost benefit ratio that might otherwise come about?

Mr. SMITH. I think you possibly are, because you know, there are different soil types, and different terrains all over this state, and the design criteria in one part of the state should be different. There should be some latitude in there to allow us to change it.

Mr. MINETA. Also, with the budget summiteer's meeting at Andrew's Air Force Base, and the President has said, in effect, "We're going to lock you up and you stay there until the smoke comes out from under the door and we see what kind of an agreement you have on the budget," my fear is that we may not end up with, on the revenue side, a lot of different taxes that they may be talking about, but we may get some broad based approaches in terms of revenues. Things like a surcharge on personal and corporate income tax, or one that keeps looming is the gasoline tax, and I'm afraid that the gasoline tax may be one of the top items.

We also have under the leadership of Chairman Anderson and Congressman John Paul Hammerschmidt, a House Resolution that says we don't want the gasoline tax to be used for deficit reduction, as laudable a goal as that may be.

I am wondering if this kind of pitch comes up in terms of a gasoline tax, with—and we will get a crumb out of it, they will throw some little bit of it towards infrastructure, but I would imagine a vast majority of it will go towards, "deficit reduction."

I wonder what kind of a reaction I might get from the panel if that were to be the case?

Mr. PRITCHETT. We are not for it.

Mr. SMITH. We don't want it.

Mr. PRITCHETT. Us three are not for it.

Mr. SMITH. We don't want any crumbs and I'll tell you something else——

Mr. MINETA. That dog won't hunt?

Mr. SMITH. If that happens, it is also going to curtail our opportunity and our ability to pass any local gas tax.

Mr. MINETA. Well, I'll tell you what. Then I would like to ask that you start writing your letters to the White House right now, as well as to the leadership of the House and Senate, because I really see this as a possibility in terms of those discussions that are going on right now with the budget summiteers.

Mr. HAMMERSCHMIDT. Will the gentleman yield?

Mr. MINETA. Absolutely.

Mr. HAMMERSCHMIDT. You know, in the hearings last week in Tulsa, we had the State Highway Commissioner, the State Highway Director, we had Mr. Buren in Missouri, the State Highway Director, and they had the same position you do.

We asked them to please be in touch with the White House and with anybody else they had with influence in the Executive Branch in Washington.

Mr. MINETA. I think there is going to be some component of something that might be referred to as an energy tax. It could be a gasoline tax, because it is broad based, and increasing the tax leverages on consumption, and we don't want dependence on foreign sources in terms of our oil. On the other hand, if it goes to an import fee, it will affect the Northeast in terms of home fuel heating.

But it seems to me that they are going to take a look at some sort of a broad based tax to apply to everybody, and it seems to me, again, that an energy or an oil import, or a gasoline tax, something of this kind of tax, may be the very thing that may be a component of a few. There won't be a long list of excise taxes for cigarettes, and for wine and beer, and all this kind of thing, but I think it will be much broader than that.

So, again, I am very very fearful, even with the leadership of Congressman Anderson, and Mr. Hammerschmidt, and I believe we have what, about 280 co-sponsors on that?

The CHAIRMAN. We have 250 co-sponsors that I know of.

Mr. MINETA. 250 co-sponsors.

The CHAIRMAN. That's over 50 percent of the House.

Mr. PRITCHETT. Were all of them from Arkansas, a co-sponsor of that?

Mr. MINETA. I believe, yes, probably.

Mr. PRITCHETT. We could have fertilizer thinking a little bit on that.

Mr. MINETA. Fertilize, Mr. Pritchett. Thank you, sir.

The CHAIRMAN. Any further questions? If not, thank you very much, gentlemen.

Now, our next panel of witnesses will be addressing the water resources issues, and they are Mr. Richard Starr, the Engineer Manager of the Beaver Water District; Mr. Randy Young, the Executive Director of the Arkansas Soil and Water Resources Commission; Mr. Jerry Mitchell, the Area Conservationist of the U.S. Soil Conservation Service; and Brigadier General Stanley Genega, Division Engineers, Southwest Division of the U.S. Corps of Engineers.

I am going to suggest that we start with Mr. Starr.

Let me remind the entire panel that because of time constraints, we must ask each of you to hopefully hold your oral presentations to roughly three minutes each.

Your prepared statements, of course, will be published in their entirety, so if you have a longer statement, it will be in the record, but try to hold it as close as you can to that area.

Mr. Starr, you are first.

TESTIMONY OF RICHARD STARR, ENGINEER MANAGER, BEAVER WATER DISTRICT

Mr. STARR. Chairman Anderson, Congressman Hammerschmidt, and Members of the committee, we appreciate very much the opportunity for the Beaver Water District to discuss the water needs in Northwest Arkansas.

It was kind of interesting when I heard Mr. Hunt say he had over 4000 trucks, because yesterday, the Beaver Water District produced enough pure water to fill those trucks up for him.

Beaver Water District is a non-profit revenue funded regional water district providing potable municipal and industrial water to over 125,000 people, and the largest concentration of food processing industries in Arkansas.

The District was formed in 1959, and purchased all of the municipal and industrial water in Beaver Reservoir.

Working with the Corps of Engineers as a partner, we have developed an outstanding water resource into the only permanent long term water supply in this area.

Through sound planning and cooperation, we have a high quality of raw water source adequate until the middle of the Twenty-First Century. Thanks to this area's farsighted planning, we now have the necessary raw water infrastructure in place.

Now, we need to do two things to meet the growing water needs of this region. The first is to build in a timely manner the treatment facilities, the transmission lines, and storage tanks to meet the peak demand of our water users.

The second is to protect the water in Beaver Reservoir so that it remains a high quality raw water source. This second task will be difficult because of the lack of high priority for the protection of drinking water sources among the various competing interests and governmental agencies.

To accomplish these tasks, we need your help and support in the following areas.

We need to recognize that we need long range policies that recognize the importance of high quality raw water sources, and stop using these select waters as conduits for treated and untreated waste.

We need to encourage and fund programs that reduce or prevent the impact of non-point sources of pollution located in the watersheds of these select raw water sources. We need policies and funding that encourage the regionalization of water supply systems both in facilities and in operations. We need revisions to the 1986 tax law to remove the provisions which have caused hardships on the funding for capital improvements using tax exempt municipal bonds.

Above all, we need to realize that we have limited available resources to rebuild and expand our infrastructures.

Therefore, it becomes imperative that all federal, state, and local parties, cooperate to ensure that we get the most positive return for each unit of resources committed.

An adequate supply of pure drinking water for home and industry is necessary for this or any other area to grow and prosper. It is one of the very basic foundation blocks of our infrastructure. We need to invest a part of this nation's resources to fill this need. This task will be much easier and require fewer resources if we deal with it before it becomes a crisis.

Thank you.

[The prepared statement of Mr. Starr appears on p. 1755.]

The CHAIRMAN. Mr. Young.

TESTIMONY OF J. RANDY YOUNG, EXECUTIVE DIRECTOR, ARKANSAS SOIL AND WATER RESOURCES COMMISSION

Mr. YOUNG. Thank you, Mr. Chairman, Congressman Hammerschmidt, and Members of the committee.

My name is Randy Young, and I am the Director of the Arkansas Soil and Water Conservation Commission, as well as a member of our Arkansas Pollution Control and Ecology Commission.

I have submitted written testimony, and I will try to stick to your timeframe and make a few of the points that are addressed in more detail in my written testimony with respect to water quality, which is not traditionally considered within the definition of infrastructure. I will also talk briefly about our overall infrastructure needs in the area of municipal and domestic water supply, waste water treatment, and sod waste disposal.

First a couple of points with respect to water quality, and following on some of the points that Mr. Starr made with respect to addressing non-point water quality problems. In Arkansas, we are beginning to address non-point water quality problems here in Northwest Arkansas as a priority, in order to protect the quality of the water that is available in the tremendous asset that we have in the Beaver Reservoir.

There are a couple of things that I would encourage your committee to look at that would help us as we proceed to do that.

One is to increase the availability of cost share assistance in order to help our landowners install the best management practices that are going to be necessary in order to protect the quality of the water in our surface water system.

In the second area, presently the cost share requirement under the 319 Program, is a 60/40 federal-state. For poor states such as our's, that is a tremendous hardship in terms of our ability to provide the 40 percent match, and I would ask that you consider increasing that match to a 75/25 federal-state.

A couple of other areas where we are involved in addressing non-point water quality problems, working with the Corps to implement the Beaver water quality demonstration project. I would encourage Congress to continue funding that demonstration effort to the full capability that we have set forth in the plan of work that was developed jointly by the federal and state and Local interests.

Thirdly in the area of non-point, we have two significant cooperative programs underway with the U.S. Geological Survey in which we are identifying the potential for ground water contamination in Northwest Arkansas, and I would encourage the Congress to continue adequate funding for the USGS co-op program.

I know sequestration has been a concern of our's in the past with regard to that program, because when federal funds are sequestered, our state match funds are also sequestered, and that is a concern to us, and I would ask that you take a look at that.

Moving on to the more traditional infrastructure needs and particularly with respect to water supply. We still have over 400,000 Arkansans that are not served by a public water supply system in the State of Arkansas.

The Director of our State Health Department, Dr. Joycelyn Elders has stated that one of the most important things that the Arkansas Department of Health can do to improve the public health, is to ensure the availability of a clean safe public water supply for people.

We have estimated a need of approximately—well, there is approximately $93 million in application pending before FHA, at this point in Arkansas.

With the current levels of funding available through the various federal programs and through our state programs, we can meet less than half of that need.

With respect to waste water treatment, and I will stop with that, we have 146 communities throughout the state in which their NPDES permits, their waste water discharge permits, have expired and must be renewed, which is going to require a significant improvement into their treatment scheme, in order to get those permits renewed. Thirty-five of those permits are in Northwest Arkansas.

As you all know, the EPA Construction Grants Program has been phased out into a state revolving loan fund. This is resulting in our average sewer bills going from $20.00 under the old construction grant approach, to approximately $37.00 with the present mechanisms available to finance these improvements, and that is a combination of revenue bonds, the state revolving loan program, and a state general obligation bond program that our people approved in the last general election. So, the result is going to be essentially about a doubling of our sewer rates, in order to be able to make the improvements necessary under the existing system of financing.

The need has been identified statewide to be in excess of $500 million.

With that, Mr. Chairman, I would close, and if there are questions later, I would be happy to respond.

[The prepared statement of Mr. Young appears on p. 1835.]

The **Chairman.** Thank you, Randy, very much.

Our next witness is Mr. Jerry Mitchell of the U.S. Soil Conservation Service.

TESTIMONY OF JERRY MITCHELL, SOIL CONSERVATION SERVICE

Mr. **Mitchell.** Thank you, Mr. Chairman, Congressman Hammerschmidt, Members of the committee, and other distinguished guests.

I am pleased to have the opportunity to testify before your committee today on the water resource concerns here in Northwest Arkansas.

As you have heard other panelists and other people say this morning, this area is a rapidly expanding area. It is expanding more rapidly probably than any other area in Arkansas, and a lot of this growth can be contributed, as you heard Mr. Tyson say this morning, to the livestock and the poultry industry.

What we are seeing here with this great boom that we are having in the livestock and poultry industry, we are also seeing some environmental concerns come up.

What we have tried to do is try to reach some kind of compromise between the environmental concerns as well as the economic growth.

Arkansas ranks near the top in broiler chicken production and it also ranks in the top 20 of swine, turkeys, eggs, and beef production. The majority of these operations are located in Northwest Arkansas.

Again, while this provides great economic development opportunities for the state, for this region as a whole, we would like to in some way, maintain some kind of stability of this region, where we can ensure the growth that we are seeing in the area's industrial base, as well as keep the local agriculture producers in business and strive to achieve some kind of environmental balance where that our high water quality that we have in this area, is not compromised.

There are several sources of contamination as you heard Mr. Starr say earlier, and what we are concerned with in the USDA arm of the Soil Conservation Service, is primarily the non-point source problems that we are seeing from the combined operation of the different operations that we have in this area here.

When we are talking about the problems that we are seeing, they are very pervasive.

Much of the drinking water that we get in Northwest Arkansas comes from the White River or the lakes along it. We also get drinking water out of the Illinois River, and the runoff from the fields where we apply our litter from the animal operations, is also the same water that recharges part of our ground water which is also used for drinking water supplies.

What we have tried to do here in Northwest Arkansas is come up with a combined federal-state and local effort. We have had the involvement of the Corps of Engineers, the Environmental Protection Agency, the USDA agencies such as the Soil Conservation Service, the Agricultural Stabilization and Conservation Service, the Extension Service, as well as the state agencies such as Mr. Young's agency, and the people here at the University of Arkansas who have been doing some research efforts.

We have all joined together to try to put forth programs that Congress has given to us, and the farmers have been most receptive to these programs.

What we have seen with the USDA programs that we have recently had on a cost-share basis, we have seen about 600 different farmers that have applied for practices up here that will help control this non-point effort.

We have also had a demonstration project that we are running in conjunction with the Corps of Engineers, and the Environmental Protection Agency, and we are hoping that this will be getting underway very shortly, but we also see this as an effort to reduce some of the nutrients that are getting into our drinking water supplies.

We don't want to forget, as we are trying to control the environmental concerns, we don't want to overlook the economic stability of the region, and what we have seen here in Arkansas, we see about $2.6 billion that the agriculture, poultry, and livestock industry has pumped into our economy, and again, the bulk of that, or a lot of it, is coming from right here in the surrounding Northwest Arkansas region.

We have the number one and number two agriculture counties here in Northwest Arkansas, and again, most of the money that comes in, is coming in from the livestock and poultry interests.

I want to thank you for letting me offer testimony to you, and if there are any questions, I will be happy to answer them.

[The prepared statement of Mr. Mitchell appears on p. 1715.]

The CHAIRMAN. Thank you, Mr. Mitchell. We will get to the questions a little bit later.

Our next witness is General Genega of the United States Corps of Engineers.

General.

TESTIMONY OF BRIG. GEN. STANLEY G. GENEGA, DIVISION COMMANDER, U.S. ARMY CORPS OF ENGINEERS

General GENEGA. Mr. Chairman, Members of the committee, I am pleased and it is an honor to be here today to represent the Southwestern Division of the U.S. Army Corps of Engineers, to participate in this panel to discuss the Corps' interest in our nation's infrastructure, pursuant to our Civil Works mission.

I would like to talk about two things. First of all, the Corps' role, as we see it, in helping to solve our nation's infrastructure problems, and then some of the ongoing activities of the Southwestern Division, particularly in this part of Northwestern Arkansas.

As you know, we in the Corps have a long history of developing both water resource and military infrastructure. We are concerned not only about that infrastructure that we have developed, but the remaining infrastructure of the nation.

We believe that we not only need to be efficient and effective in administering the existing programs, but we need to establish new and creative approaches for partnerships between federal, state, and local governments, and the private sector, to solve these problems.

In keeping with this philosophy, the Assistant Secretary of the Army for Civil Works, Mr. Robert W. Page, has stressed some new initiatives with the private sector to attempt to work at solutions for this problem.

Additionally, our Headquarters of the Army Corps of Engineers has also worked a number of initiatives looking at developing that broad federal strategy that I heard mentioned here earlier—that is, playing our role in the development of that broad federal strategy.

Let me now mention just a few of the water resource infrastructure problems and opportunities in Northwestern Arkansas.

One of the major infrastructure projects over which we have jurisdiction, of course, is the McClellan-Kerr Arkansas River Navigation Project. High water flows in the last several years have restricted traffic, but the biggest problem that we have faced is the annual problem at the White River entrance channel.

This is the first reach of the McClellan-Kerr, and the water surface is controlled not by a dam, but by the water level of the Mississippi River.

The Little Rock District is conducting feasibility type studies to find a solution to that annually worsening low water problem. We expect in the near future to recommend a lock and dam at Montgomery Point.

Another example of important Arkansas infrastructure is Beaver Lake, which you heard mentioned by several of the speakers who preceded me, and in recent years, water quality has become a problem due to high nutrient contents.

In Public Law 101-101, Congress has appropriated funds for this project, and directed that the Corps of Engineers implement solutions to fix the problem.

We are scheduled to begin, in coordination with state and local officials, and the Department of Agriculture, in February of 1991.

With regard to the Arkansas River Basin levees, in spite of their age, they stood up quite well in recent flooding. Our recently study, however, does point out that local officials need to rehabilitate and repair them to ensure their continued proper functioning in the future.

We additionally in this area have the responsibility for some seven hydropower plants, which continue to provide safe and efficient hydropower to the economy of this area.

In summary, we have not solved all the water resource problems in Arkansas or the Southwestern Division, but we are continuing to work them. The spring floods of the last couple of years have demonstrated only too clearly that, for example, in the flood control area, with our dams and levees operating as they were designed, we must continue to look at the needs and justification for other water resource projects.

Mr. Chairman, it has been a privilege to testify in front of the committee. I would be pleased to address any questions you or any Members may have.

[The prepared statement of General Genega appears on p. 1679.]

The CHAIRMAN. Thank you, General, and thank you, panel, for your fine statements.

I will start off with my first question.

How would a better infrastructure, whether it be ports or other waterway facilities, how would that result in a stronger economy for this area, and could you give some specific examples?

Mr. Young?

Mr. YOUNG. Well, I think first we can look at what we have already in place in Northwest Arkansas, and we can attribute a significant part of the economic development that has occurred here, to the fact that we have got the surface water resource in Beaver Lake that we have here, which is the regional water supply for all of Northwest Arkansas.

I guarantee you, without that, we would not have the economic development that has occurred in this area, that we see.

So, I think that is the best example that anyone could cite to respond to that question, just look at what has occurred with that.

The **CHAIRMAN**. Any other comment? Mr. Starr?

Mr. **STARR**. Yes. One of the things that we find in this particular area, is that all of our water systems, by and large, are revenue operated. We pay as you go, and do not collect ad valorem taxes. So, as we develop these resources and utilize them efficiently, we make our industries much more cost effective.

An average poultry plant will use a million gallons of water a day, and that water is one of their cost factors that they have to have in their mix, when they price that bird out.

So, the benefit of having a water supply that is cost effective, is translated into profits, which in turn, turns into jobs, growth, and taxes for the nation.

The **CHAIRMAN**. Mr. Mitchell?

Mr. **MITCHELL**. I'm sorry, Mr. Chairman, I'm lost on your question here. I was trying to get the answer.

The **CHAIRMAN**. I was just wondering, you know, you are the water experts, on how would a better infrastructure such as ports, waterways—anything related to water—why would it result in a stronger economy for this area.

Mr. **MITCHELL**. Okay. If I could then, I would like to provide you with an answer.

The **CHAIRMAN**. Sure.

Mr. **MITCHELL**. As Mr. Starr said, what we have seen here is an expansion of the poultry industry, besides the different—J.B. Hunt, Wal-Mart, whatever—and with this, we are highly dependent upon our surface waters to provide us good safe clean drinking water, and along with that, we are also dependent upon the programs that your group administers in the Clean Lakes Act—or under the Clean Water Act, such as the Clean Lakes Program, and the 319 Program that the EPA has, as well as the Water Resource Act that applies to the Corps of Engineers.

These things are very important to us here. They are vehicles whereby we can receive different help for our people here in Northwest Arkansas, as our area expands and we have problems or issues that come up, this is a way that we can address those.

The **CHAIRMAN**. Any other questions?

Mr. **HAMMERSCHMIDT**. Mr. Chairman, I know in 1986 and 1987, I guess, in the Water Resource Development Act, we authorized several million dollars to study this problem, and subsequently there was a $2 million authorization, and the Corps of Engineers took that $2 million and performed a study on best management practices.

In conjunction with the Soil Conservation Service, and then monitored by EPA, I guess, that is now underway, and you have a draft plan that is getting ready to be implemented, I assume.

Is that not true?

The **CHAIRMAN**. Yes.

General **GENEGA**. That's correct.

The **Chairman**. Well, I'm delighted that we are moving forward on that. I don't want to get too deep into that, because we have another panel, and time is running out on us.

Mr. Starr, is really the on the scene, hands-on expert, in the Beaver Water District, and this whole area. I have discussed with some of my colleagues, particularly Chairman Roe, who has been a great water legislator for many years, about our distress over that 10th Circuit Court decision on the Fayetteville Water District, and he was sort of nonplused and amazed as I was—and I am not going to express my position, because you know what it is—but I might yield to Mr. Roe, and he might want to just ask you some questions about it.

Mr. **Roe**. That's what you call leading the witness.

Mr. **Hammerschmidt**. That's right.

Mr. **Roe**. Well, the only thing, I did read the background of the case, and it is a very unique case that has come out of the Courts now. In fact of the matter, it creates all new law, and unless that particular case is litigated further, I mean you really come up to a no discharge policy, and that was never the intent of the late legislation as it was written. I can tell you that flat out.

So, as John Paul has explained, we will get into that, and will probably have to look maybe for a legislative decision on it, or a solution to it, because otherwise, as far as your water supply is concerned, at least as far as what is it—the——

Mr. **Hammerschmidt**. Yes, it's a split flow.

Mr. **Roe**. It's a split flow system. You are half out of business, is what it amounts to. So, we are going to look at that. That case has national import, and we will take a look at that, as John Paul has asked us to do, and see what kind of a solution we can come up with.

Mr. **Starr**. We very much appreciate that, because we agree with your position that that is a very significant case with nationwide significance. I hope that we can find a solution and a way to keep everybody comfortable.

Mr. **Roe**. Of course, if we go ahead on a state level, go ahead and declare that that poke in the river that goes into the other state as, what would you say, wild rivers, and make it even, if you like. That's not—it would help some.

The **Chairman**. Mr. Inhofe?

Mr. **Inhofe**. Yes, Mr. Chairman, just a brief comment in observation to General Genega and so many of the things he brought up, and I have talked to Congressman Hammerschmidt many many times about this.

It affects our Districts almost equally, and I think when we look at such things as the antiquated Arkansas levee system, where in some areas it is holding up better than in other areas, and it goes beyond just a local concern, and certainly with the tremendous investment in the Kerr-McClellan Waterway, the Montgomery Point Lock and Dam is—I look upon that as a national issue as opposed to a local issue.

It is absolutely necessary to keep it alive and to protect that investment from my District as well as from Congressman Hammerschmidt's District.

General **Genega**. Yes, sir, I would agree with that.

The **Chairman**. Any further questions? If not, thank you very very much.

Now, this brings us up to our final panel of witnesses, and they are local officials. They are the Honorable Charles McKinney, Mayor of Springdale; the Honorable John Sampier, Mayor of Rogers; the Honorable Jerry Montgomery, Mayor of Mena; Mr. Strib Boynton, the City Administrator of Fort Smith; the Honorable Charles Johnson, Washington County Judge; and the Honorable Bruce Rutherford, Benton County Judge.

Mr. **Hammerschmidt**. And Mr. Chairman, Mr. Fred Vorsanger, the Deputy Mayor of Fayetteville, since the Mayor isn't here, would he kindly join the panel for his statement, please?

The **Chairman**. Fred Vorsanger will be added to the panel.

I want to welcome all of you. Mayor McKinney, we will start with you.

TESTIMONY OF HON. CHARLES N. McKINNEY, MAYOR, SPRINGDALE, AR

Mr. **McKinney**. Thank you, Mr. Chairman. I would first like to say, and I will keep my remarks brief, how much we appreciate the work that John Paul Hammerschmidt does, not only for the State of Arkansas, but for this particular area.

To give you a quick overview of Springdale, preliminary census figures show that from 1980 to 1990, we had a 28 percent increase in our population. Our unemployment rate is in the 3 to 4 percent range.

We have a highly diversified industrial base in spite of inadequate roads and highways. We have an abundance of water from Beaver Lake, and we have just completed upgrading our waste water disposal facilities.

I would emphasize that if we are to continue to grow and prosper, the completion of Highway 71 from I–40 to the Missouri line is a must. It is just as important as the improvement of Highway 412 from Springdale to the Oklahoma line.

Air transportation has improved over the years in this area, but a regional airport is certainly needed. Local airports would continue to provide local service for industry. The installation of radar in this area, should be a priority.

I have much concern that oftentimes regulations do not seem to follow the intent of legislation and I go back to the water discharge that was mentioned awhile ago.

Northwest Arkansas is the unique position due to the fact that we are in headwaters and we don't have any big flowing streams to release our waste water in, and this adds to the cost, and to the economy of our citizens.

Very quickly, I have one other thing that I would mention, and I'm sure this is a problem for all of us, and I'm sure that you have a concern about it, and that is programs that are mandated without proper funding, and I call to your attention, the Clean Water Act. We are all for the environment, but as it pertains to storm water treatment, and this is going to face all of us, and since we are in this unique position that apparently without additional legislation we can't discharge anymore, and if we have to start treating storm water, we're in a world of hurt.

Solid waste disposal hasn't been mentioned, but is should be, because once again, it is the key to our industrial development.

I want to thank the committee, the Chairman, and John Paul for your consideration.

[The prepared statement of Mr. McKinney appears on p. 1714.]

The **Chairman**. Thank you very much. Mayor Vorsanger?

TESTIMONY OF HON. FRED VORSANGER, VICE MAYOR, FAYETTEVILLE, AR

Mr. **Vorsanger**. Thank you very much. I have a lengthy statement here which I will not read. I will read two paragraphs to keep it within two minutes.

The **Chairman**. It will all be in the record, the entire statement.

Mr. **Vorsanger**. Thank you.

The City of Fayetteville is one of the fastest growing cities in Arkansas. We are the largest city in Washington and in Benton County.

We are the home of the University of Arkansas. We have been dealing with unbelievable growth.

We have all the problems that you have heard today and more so.

The City of Fayetteville has approached federal regulations with cooperation, dedication, and enthusiasm. The continued rise of a host of federal regulatory programs aimed at environmental protection, along with a decrease in funding provided to the city, is continuing to put a strain on our future funding programs.

Therefore, many infrastructure improvements within our beautiful city will only be a dream.

I want to remind the panel that just recently Money magazine named Fayetteville, Arkansas, as the seventeenth best livable city in America.

If our community is to continue on the road to economic success, improved highways, larger airports, increased water capacity, and many other improvements, your help is increasingly important. We need the Federal Government's help now more than ever before, and if we are to continue to improve our quality of life—and I want to tell you that I'm a first generation American, and the American dream is alive in this community—we need your help, and I hope we will get it.

Thank you very much.

[The prepared statement of Mr. Vorsanger appears on p. 1767.]

Mr. **Hammerschmidt**. Mr. Chairman, before you call the next witness.

Fred, let me thank you, and I noticed this very interesting book, A Community Profile, and we will attach that also with the record.

Mr. **Vorsanger**. Yes, I gave you that so you could attach it to the hearing record. Thank you.

The **Chairman**. Mayor Sampier.

TESTIMONY OF HON. JOHN W. SAMPIER, JR., MAYOR, ROGERS, AR

Mr. **Sampier**. You got closer than most do at their first try. Sampier. Thank you, Mr. Chairman, Congressman Hammerschmidt, and Members of the committee.

Obviously, at this point in the testimony, many of the things that I would mention would be redundant, but I hope you would bear with me for a few comments, because I hope that it shows that since we all prepared our remarks separately, that it shows some continuity of what the public and the private sector see is necessary for our area.

The City of Rogers is the twelfth largest city in Arkansas with a population of some 25,000. Rogers has experienced a 39 percent increase in population growth since 1980, the largest increase of any city in Northwest Arkansas.

This phenomenal growth is due to the quality of life, plus the beauty of the area. Very importantly, that two Federal projects contribute to that—the impoundment of the White River for Beaver Lake under the able direction and management of the U.S. Army Corps of Engineers, and one of Congressman Hammerschmidt's crowing achievements, the Buffalo National River.

We also couple this with a diverse economy. Our economy is based on industries, tourism, retirees which makes up over 17 percent of our population, and agriculture.

Industrial expansions, or new industries, have invested over $332 million over the last three years, with an increase of over 2,400 jobs in Rogers alone. The unemployment rate ranges from 3 to 3.8 percent.

Our infrastructure problems center around providing adequate services for one of the most rapidly growing areas of the nation.

Our most pressing needs concern an inadequate highway and road system to keep pace with this growth. One intersection in Rogers has the highest traffic count in Arkansas, outside the metropolitan Little Rock area.

Our highest priority need is direct access to four lane interstate standard highways. We must have rapid interregional, interstate, and intrastate move of our commerce, if we are to continue to flourish and be competitive.

Most importantly, the safety of the motoring public is at stake. The sobering injury and death statistics on Highway 71 and Highway 412 are a disgrace.

The completion of U.S. Highway 71 to interstate standards from Alma, Arkansas, to the Missouri line, will give us badly needed access to our markets, and our State Capitol in Little Rock.

We are continually at a disadvantage in interacting with the seat of government in our capitol city, because of the arduous and dangerous travel required on the antiquated two lane highway through the Boston Mountains.

This link with the envisioned Interstate 49 from Shreveport, Louisiana, to Kansas City, Missouri, is of national significance, considering a north-south link from the Great Lakes to the Gulf of Mexico.

It is also imperative to realize our potential with Tulsa, Oklahoma, and Northeast Oklahoma, by the joining of the Cherokee Turnpike with a four lane U.S. 412. The significance of this project is greatly increased when one realizes the intermodal connection with the Port of Catoosa and Tulsa International Airport.

Only these two four lane projects of national significance will address the current deplorable conditions of motoring safety and highway congestion in Northwest Arkansas. Correspondingly, in meeting these critical human needs, adequate rural access will be achieved as well as finally providing decent commercial access to the rest of the state and the nation.

Coupled with adequate streets and highways is adequate management of drainage. An engineering estimate in 1978 pointed out it would take $4.2 million just to correct the drainage problems in Rogers, at that time.

We would respectfully request an increased national role in helping to meet these inner city drainage and flooding problems, such as with the able assistance of the U.S. Army Corps of Engineers.

The 1986 amendments to the Safe Drinking Water Act, as well as the mandates of the Clean Water Act, are prudent national goals as outlined by Congress. However, we respectfully suggest an increased role of congressional oversight in the development of agency guidelines to meet these goals. Common sense and an understanding of our severely limited local resources to meet these mandates is badly needed.

We simply do not have the local resources to meet ever increasing Federal mandates in so many areas, and at the same time, provide adequate roads, fire protection, police protection, and other basic services, without help. The mandates proliferate without commensurate assistance to meet those mandates.

We are proud of several local and regional partnerships that have allowed us to jointly meet some national mandates, but we must have a renewed partnership from the Federal level, if we are to survive.

We recognize and are grateful for these national hearings of the Committee on Public Works and Transportation to form a foundation whereby together we can rebuild our cities for our children and our future.

Thank you.

[The prepared statement of Mr. Sampier may be found on p. 1751.]

The **Chairman**. Mayor Montgomery.

TESTIMONY OF HON. JERRY MONTGOMERY, MAYOR, MENA, AR.

Mr. **Montgomery**. Mr. Chairman and Members of the committee. I am Jerry Montgomery, Mayor of the City of Mena.

Mena is located in west central Arkansas, having a population of 5,500 with an estimated trade area of 25,000. Mena is one of the growing cities of west central Arkansas, as shown by the recently released preliminary census figures. Mena has grown by approximately 6 percent since 1980.

Even though we are located 80 miles from the nearest interstate or improved four lane highway, the western side of Arkansas was excluded in the development of a four lane interstate, and this had

had an adverse affect on our industrial growth, because of an inadequate transportation system through our region of the state.

We strongly support the extension of Interstate 49 which is proposed from Shreveport to Kansas City. The construction of this interstate will provide 11 mid-American states with a quality highway from the Gulf of Mexico to the Canadian border.

Studies have shown that the 11 states this highway will serve, comprise over 22 percent of the nation's population, and this highway will fill a 500 mile void between Interstate 35 and Interstate 55 for north-south highway transportation.

We feel that it is imperative that the Federal Highway Trust Fund be kept intact and urge that they be used for such highway improvements as Interstate 49 or an improved U.S. Highway 71.

In our area of the state, tourism, which affects our local economy by creating thousands of jobs, is highly dependent upon quality highways, not to forget the transportation needs of such companies as Wal-Mart, J.B. Hunt, and Tyson Foods.

Mena's airport is among the busiest airports in the State of Arkansas, not in passenger traffic, but in the service industry, as it relates to aircraft maintenance. We have a world wide reputation for quality and fast turn around in aircraft maintenance. The industries located on the airport employ just over 225 people with an annual payroll of approximately two and a half million dollars, having annual gross sales of $11 million, of which 3 million of this is in foreign sales.

However, we are in an extreme need of a new 6,000 foot east-west runway with an ILS system to accommodate not only the needs of the 12 existing companies, but the future needs of the two large aircraft industries interested in locating at our airport.

The economic development at the airport is limited by the lack of an adequate precision instrument runway. If built, in excess of 350 new jobs would be created, which would significantly improve the economies of not only Polk County, but the surrounding counties comprising approximately 50,000 population.

These new jobs, with related services, represent an economic impact of greater than $25 million annually. We are convinced, without current lack of close access to a four lane highway system, that we must further develop the airport in our region of the state, if we are to grow economically and provide the quality jobs for our young high school and college graduates, who now must leave our area to seek a better life.

Again, we implore the Congress to keep the Airport Trust Funds intact, and ask that these funds be used for such improvements as the needed expansion of airports for economic purposes.

With the assistance of the EDA and Farmers Home Administration, we recently completed a badly needed water system which saved approximately 250 jobs from being lost due to a lack of water.

Presently, many of our cities, Mena included, are in need of making improvements to their waste water and antiquated sewer systems to come into compliance with the Federal EPA regulations.

Many of us are currently under a Federal Administrative Order to clean them up. As we all know, this takes large sums of money. Mena, like many cities in Arkansas, has been willing to tax themselves with a one cent city sales tax to accomplish many of these needs without asking for any grant assistance from the Federal Government.

More recently, Mena and Polk County residents passed an additional county wide one cent sales tax with the bulk of the city's share of these funds to be used for water and sewer improvements. However, it will be necessary to utilize the low interest loans made available by Farmers Home for these projects, as well as grants that are currently available from state and federal sources.

Therefore, we would encourage that loan and grant funds continue to be made available for these necessary improvements, not only to help create new jobs, but to save existing jobs.

Finally, most every city in this region of the state is facing the real problem of solid waste disposal. Mena is currently shipping its waste, after recycling, to the nearest landfill located 80 miles away, at a tremendous cost to our citizens, and the expense is becoming more costly by the day.

We would respectfully ask that all consideration be given by the Congress to assist rural America in helping us in any way possible, to develop an acceptable environmentally safe solid waste program that we can afford.

I will sum up by saying that all existing federal funding for infrastructure programs must be kept intact. I sympathize with the plight of Congress in the reduction of the national debt, and agree with the Gramm-Rudman Act in enforcing a balanced budget, to include a strong military posture, which is essential for the protection of our country, but we, as Mayors, must continue to seek federal assistance for our local infrastructure needs.

In closing, I want to thank Congressman Hammerschmidt for the opportunity to appear before you and bringing you to this part of Arkansas, and hearing our needs.

Thank you.

[The prepared statement of Mr. Montgomery appears on p. 1725.]

The CHAIRMAN. Thank you, Mayor Montgomery.

Mr. Strib Boynton, City Administration, Fort Smith.

TESTIMONY OF STRIB BOYNTON, CITY ADMINISTRATOR, FORT SMITH, AR

Mr. BOYNTON. Mr. Chairman, Congressman Hammerschmidt and the other Members of the committee, I want to thank you for your interest in dealing with Northwest Arkansas' infrastructure needs.

Fort Smith is Arkansas' second largest city. We have a population, depending upon what the Census Bureau finally decides, of approximately 80,000 people.

I believe most communities to have the capacity to find solutions to their own problems, especially when federal, state and local officials are willing to work with the media, business, and citizen leaders to try to find a common solution for the common good of all.

In my written statement, you can see examples of where that has been successful in Fort Smith and in western Arkansas.

In particular, I think our new $37.5 million Lee Creek Water Supply Project, is a tangible example of what can happen. A tangible example of a regional solution to a problem when federal, state, and local officials are willing to work together.

In approximately 18 months, 130,000 people in western Arkansas and eastern Oklahoma, will enjoy a 50 percent increase in reliable, high quality, low cost drinking water.

Today I am tempted to simply ask you for money as many others have this morning, yet I believe there are also at least four specific things, four specific actions that Congress can take, to help Fort Smith and other cities, that will not require you to write a check.

First, and it was mentioned a moment ago, I think a clear and consistent national policy, along with significantly greater Congressional oversight, involving waste water and storm water management systems, would greatly help each of us better plan and manage our own sewer systems.

Many cities, including Fort Smith, have spent millions of local dollars in recent years, to develop and maintain separate wet weather and dry weather systems, as required by the Federal Government over the last 20 years.

In 1989, however, the Clean Water Act was amended to require that cities now address both wet weather and dry weather problems in their new NPDES permits. That reverses 20 years of national policy without any financial assistance, and that creates a staggering financial burden for our citizens and businesses, particularly in those cities that have already spent their limited local dollars to separate the systems.

Secondly, although many federal laws specifically set a 30 or a 60 day period in which to appeal a regulatory agency's decision to a Court, Section 404 of the Clean Water Act does not.

Having been through a very extensive licensing and permitting process on our Lee Creek Water Project with FERC and the Corps of Engineers, I believe a clear and expeditious appeal process, including a specific 30 or 60 day appeal deadline should be included in Section 404, in order to avoid potentially costly and unnecessary time delays in critically needed future water supply projects, and other projects, as well.

Third, while just about every community currently wants to recycle their way out of the solid waste mess, I suggest Congress can best help cities, by working with cities to develop national and international markets for recycled materials rather than mandating through the regulatory process, recycling as a solution.

I believe at least two bills have recently been introduced in Congress, to help develop markets for recyclable products, and I would encourage you to support such legislation that will help to develop such markets for recyclable products, if our recycling efforts are to be successful and meaningful.

Fourth, I also believe that Congress can help cities by supporting the various pieces of legislation that come before you from time to time, that will give us, as cities, much greater financial and regulatory flexibility, and also opposing the legislation that will come to you from time to time, that might tend to undercut our ability to solve our own problems.

I also believe that Congress can encourage, and should encourage, regional solutions to problems such as water, waste water treatment and solid waste.

In Fort Smith, being a border community, that means we may need your help in creating more flexible, as well as additional interstate compact commissions to solve such problems.

I would like to conclude this morning by thanking each of you, including Chairman Anderson, and Congressman Hammerschmidt, for caring about our needs.

While many of us would like, we need, and will ask you for money from time to time. But most importantly, I think we need your personal leadership in finding more flexible federal alternatives, and more creative regulatory solutions, as we attempt to solve our own problems.

Thank you.

[The prepared statement of Mr. Boynton appears on p. 1664.]

The CHAIRMAN. Thank you, Mr. Boynton.

Our next witness is the Honorable Charles Johnson, Washington County Judge.

TESTIMONY OF CHARLES A. JOHNSON, WASHINGTON COUNTY JUDGE, FAYETTEVILLE, AR

Mr. JOHNSON. Chairman Anderson, Congressman Hammerschmidt, and committee Members, I want to thank you for coming here to Northwest Arkansas, and allowing us to talk to you about our infrastructure needs.

Much has been said about the growth of the area and our economy, so I won't repeat all of that, but I will just say that Washington County, in the preliminary census figures, shows a population of 114,000, which places it second in the state in population. Washington County also ranks first in agriculture production, based on dollar value, of any county in the state, with Benton County ranking second. Washington County ranks forty-first nationally in the value of agricultural products.

I want to reiterate what previous speakers have said about the need to proceed as rapidly as possible with the four laning of Highway 71, developing north-south routes, and also with the improvements and a four lane interstate type highway east and west, connecting with the Cherokee Turnpike to the west, and extending east of here.

In addition to the interstate type routes, it is important not to overlook the need to maintain and upgrade our network of county roads and city streets, which provide access to the interstate routes.

A question was asked to the first panel, I believe, of what the counties and cities might be doing to assist in the development of improved vehicle traffic, and interstate development, and I will tell you this, that we are doing everything we can to look at our system of county roads, and to try to plan for the upgrading of routes that provide access to new interstate type highways.

Benton and Washington Counties rank first and second among the counties in the state in the number of miles of county roads. This fact alone presents us with a major challenge, but is compounded by major traffic consisting of feed trucks, milk trucks, live haul trucks, and logging trucks, the weight of which often approaches and may even exceed the 80,000 pound weight limits.

This requires that our roads and bridges be built to the highest standards in order to stand up to this kind of traffic.

Washington County has 644 structures or culverts, spanning water courses with 165 bridges of 20 feet in length or longer, 37 of which are either functionally obsolete, or structurally deficient, and in need of replacement.

As you can see, we face a continuing struggle to maintain and upgrade our system of local roads and bridges, even though we do everything possible to utilize methods and designs that will get the job done in the most cost effective manner.

Perhaps the infrastructure need we have, which could reach crisis proportions almost overnight, is our means to dispose of solid waste which is generated in this area.

Our scenic mountainous area has its problems when it comes to the disposal of solid waste. The soil types in the area and the fractured limestone formations underlying much of the area, make it difficult to site landfills which can be operated in a manner safe to the environment.

Municipal solid waste generated in the four county region, which includes Benton, Washington, Madison, and Carroll Counties, stands at 482 tons per day presently, and is projected to increase to 600 tons by the year 2000, and 670 tons per day by the year 2010.

Development of a solid waste management plan and projections are made more difficult, because of the limbo we are in awaiting the adoption of final EPA regulations.

Current permitted landfill capacity in the area is approximately two years. Plans for solid waste disposal, including maximum recycling and waste stream reduction is anticipated to be extremely cost and may only be accomplished after considerable effort and some local opposition.

Another infrastructure problem which we are encountering is the need to develop water systems to provide suitable drinking water to a rapidly growing rural population in Washington County. Thanks to Beaver Lake, we do have a good source.

We recently received assistance from the Arkansas Industrial Development Commission, and from the Farmers Home Administration, to put in water systems to serve nearly 1,200 households, many of which formerly were served by wells that had become contaminated, or had to haul water from springs which have been increasingly contaminated.

As water lines are extended, and our transportation network improved, we can anticipate increasing growth in our rural population, which will in turn, put additional demands on these systems.

We realize the importance of economic development, job creation, and expanding employment rolls, but this can only be done if we have a corresponding development and expansion of our infrastructure and public works system. We intend to do our part to address the infrastructure problems that we have outlined, and I am firmly convinced that by forming a partnership with the State of Arkansas, the Federal Government, and the private sector, we can properly maintain and expand our infrastructure, as needed.

It is unfortunate that our nation faces a huge budget deficit and an enormous national debt. However, I would appeal to the committee, and the entire Congress, that they recognize the infrastructure needs here and across the nation, keeping in mind that increasing mandates to the local governments without supplying the necessary financing, creates a considerable hardship.

Additionally, any move to remove the deductibility of local taxes on Federal Income Tax Returns, will only compound the problems that we have locally in generating sufficient revenues to meet our infrastructure and public works needs.

The release of Highway Trust Fund monies could help greatly and a formula for distributing federal highway funds, including public transit funds, more in line with what is generated by Arkansans, would certainly be looked on with great favor.

I want to thank the committee again, and that concludes my comments.

[The prepared statement of Mr. Johnson appears on p. 1696.]

The CHAIRMAN. Thank you, Judge Johnson, and our final witness is the Honorable Bruce Rutherford, Benton County Judge.

TESTIMONY OF BRUCE RUTHERFORD, BENTON COUNTY JUDGE, BENTONVILLE, AR

Mr. RUTHERFORD. Thank you, Mr. Chairman, Honorable John Paul Hammerschmidt, and other Members of the committee.

A strong basic infrastructure is vital to the economic base of this area. As we all know, Northwest Arkansas is accelerating in the areas of agriculture, industry, and recreation. Therefore, it is necessary for the state to provide sound highways and sturdy bridges to keep commerce rolling.

As most of you well know, Northwest Arkansas is one of the fastest growing areas shown by the 1990 census. This contributes to the increased needs for highways, bridges, rural water and solid waste disposal.

I feel there are two significant needs for four lane limited access highways in Northwest Arkansas. First, being U.S. Highway 412 between Siloam Springs and Tontitown. This would link U.S. 412 with the soon to be completed Cherokee turnpike. I think the increased traffic on U.S. 412, an already dangerous highway, will be shocking once the Cherokee turnpike is completed in the Spring of 1991. This will cause a tremendous bottleneck affect on Highway 412 at the Arkansas-Oklahoma State line.

Secondly, the rapid completion of Highway 71 to an interstate type highway, linking Interstate 40 and Interstate 44. This will enable us to connect with other commerce areas. The accident and death rate on both Highway 71 and Highway 412 is already astonishing.

I would like for you to consider supplementing annual funding by initiating legislation to spend down the Highway Trust Fund balances. This would provide Arkansas additional funding, which I feel we are entitled.

The burden of providing for the collection and disposal of America's solid waste, is a pressing concern of local governments all over our area, and the burden is growing.

While we agree solid waste must be disposed of in an environmentally safe and ecologically sound manner, the local governments need additional resources made available to help solve the current and future problems of solid waste disposal.

Also, because of our rapid growth and increased population with rural subdivisions, there is an extreme need for rural water systems to ensure safe water.

I want to take the opportunity to thank the committee for asking me to participate in today's hearing. With the exchange of ideas, and your interest in our community, we should sufficiently handle any situation that arises to link our growing area with the major arteries of the working world. We need to keep in mind that increased growth adds to the stress of our current installation. Thank you.

[The prepared statement of Mr. Rutherford appears on p. 1749.]

The **Chairman**. Thank you very much. Thank you all.

As local officials, you are the closest in seeing the real importance of infrastructure, and given your experience, what factors do you think we should consider or give priority to in drafting a national infrastructure program? Anything specific?

Any other questions of anyone?

[No response]

The **Chairman**. Mr. Hammerschmidt.

Mr. **Hammerschmidt**. Well, I just want to thank all these gentlemen.

Listen, I could go on here for a long time. I know we are running over an hour, and we saved you guys until last, but you are the ones that really handle the problems, because you're right on the firing line—the Mayors, the City Administrators, and the Judges—and I work with every one of these fellows in such a fine and cooperative way.

I want to thank you for being patient, for bringing this good information.

Mr. Chairman, I don't think that we ought to take time for questions from me, at least, but others may have some.

The **Chairman**. Any questions?

Mr. **McEwen**. May I speak, Mr. Chairman?

The **Chairman**. Yes.

Mr. **McEwen**. Let me just place a question and then you needn't answer now, because I would like to have you answer it over lunch, when we are not constrained by time.

But there are places around our country where we spend billions and billions of dollars, and you can go from street corner to street corner, and they have got mental health facilities, and transit facilities, and you name it, there are billions of federal dollars.

We have come here and there are not billions of federal dollars. People are working, and paying taxes, and building companies, and they keep a low employment, that raises the future of our nation, and I would like to have your analysis as to what you think the difference is between the people here and the places where we put billions of dollars, where there is high crime, high unemployment, high destruction, and here where there is low unemployment, low crime, and high tax paying. And that is my question for you to answer.

Mr. **Hammerschmidt**. Mr. Chairman?

The **Chairman**. Mr. Hammerschmidt.

Mr. Hammerschmidt. Just one final comment. I want to thank all of our witnesses that have been here. I think these have been great hearings, and very helpful to our panel, and to our understanding, and I want to thank especially my colleagues who have taken time from their weekend to come down here to Arkansas from all parts of the country.

This guy flew in from Saudi Arabia, the Persian Gulf, to get here, and Members have come from California, and all over, and I want to express my appreciation to them.

There is one other thing. We only had so much time, and we could only accommodate so many people on the panel. We sort of made a subjective arbitrary judgment on that. But there are many other Members that have things to say in our hearing. I see Bob Baxter out there, and I know there are others.

So, Mr. Chairman, I would ask that our hearing record be left open so that they may have an opportunity to submit testimony for our record, for 30 days.

The **Chairman.** No objection?

[No response]

The **Chairman.** So ordered.

Anything further comments or questions here?

Mr. Mineta. Mr. Chairman, all I would like to do is, as a Mayor, as was my colleague here, Mr. Roe, and having been a Mayor, I know really what all of you have gone through, and the local government, without a doubt, is really the toughest level of government to be dealing with, in terms of what you have to go through on a day to day basis.

So, all I can say is thanks a million for what you are doing.

The **Chairman.** Well, I also want to thank all of our witnesses here today for their expertise, and for helping us better understand the importance of our Nation's infrastructure needs, from the perspective of the State of Arkansas.

I also want to thank the people of the Third District for their warmth and hospitality, and John Paul, I thank you for your untiring interest, support, and leadership, and your staff for their hard work in making today's hearing a success.

Mr. Roe.

Mr. Roe. Yes, thank you, Mr. Chairman. I do want to join with you and John Paul, particularly thanking the Mayors as the wrap up group for our meetings this morning. They were very constructive, and we have learned a lot, and I think that we can carry a good message back to the Congress.

May I leave you with the thought, however, don't let John Paul get away. He does as much for New Jersey, I've got to tell you this, as he does for Arkansas, and Roe does as much for Arkansas as he does for New Jersey.

The **Chairman.** Mr. Hammerschmidt, do you want to answer that or not?

Mr. Hammerschmidt. No. I want to just add one more thing. You know, we take our staff for granted. They do such excellent work, and we don't pay that much attention to them, but we couldn't operate without our staff, and I just want to thank them.

The **Chairman.** The committee stands adjourned.

[Whereupon, at 1:00 p.m., the committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

A Presentation to

the

Committee of Public Works and Transportation

One hundred first Congress

U. S. House of Representatives

Glenn M. Anderson, Chairman

September 8, 1990

James B. Blair
P.O. Box 2020
Springdale, AR 72765-2020
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Mr. Chairman and Distinguished Committee Members:

My name is Jim Blair. I am chairman of the University of Arkansas Board of Trustees, General Counsel of Tyson Foods, Inc., and a member of the Northwest Arkansas Council.

I have been asked to present an overview for this panel.

I cannot tell you how much all of Northwest Arkansas appreciates being the sight of this hearing for this very agust and distinguished body. We do recognize that to some degree this is a tribute to our own congressman, the ranking minority member of the committee.

Most of you probably do not know that when John Paul Hammerschmit was elected to the Congress in 1967, he was really simply running as a favor to Winthrop Rockefeller to help strengthen Winthrop's bid for governor. He had no hopes or intentions of being elected and was very put out when he had to leave these lovely hills for Washington D.C. However, his loss has been our gain.

This panel that sits before you are C.E.O's who collectively employ over 350,000 people (that is almost a congressional district) and who generate revenues which exceed 35 billion dollars. Security analysts generally believe that this group of people will have revenues that exceed 70 billion dollars within five years. You have in front of you the largest chicken farmer in the United States. Really the largest poulty based food company, the largest trucking company in the United States, and based on current figures, the larges retailer in the United States. I will introduce them to you after this overview.

When the Interstate highway system was created in the 50's, this area of the United States was not growing as rapidly as the United States in general. Perhaps the war was a distraction longer in the heartland. But, beginning in 1960 the population of Washington and Benton Counties began to accelerate at a rate much beyond that of the national population and this population trend in Northwest Arkansas has continued to change at an increasing rate of change to the point that it is almost an upward thrust as compared to a slightly elevating line for the U.S. population. We have a chart here which illustrates this and these two counties will have a population that will, in the easily projectable future, exceed three hundred thousand people. It exceeds two hundred thousand people at the present time. It is one of the five largest population areas which has no direct access to the interstate highway system.

This is also soon to be the population center of the United States. You all know the geographic center is in Kansas, not far away. The population center is somewhat southwest of St. Louis, Missouri and is moving this way in the reasonably projected future. The center of the actual population of the United States will be the two counties you are in here; Washington and Benton County Arkansas. We have a chart illustrating this.

Northwest Arkansas is a net exporter overseas, largely because of the poultry business and it helps the country in the trade deficit. Wal-Mart, which you will hear from in a minute, has revitalized many small American industries by its "Buy America" program. We have a very low unemployment rate. Our position is that of a potted plant that has grown as fast as we can with the available resources we have in the pot. We are in danger of becoming like a potted plant that is root bound in that we need help in our infastructure if we are going to continue to provide the best for our people and our country. We believe we can do this in such a way that is more than fair and equitable but it would be a bargain in the expenditure of any necessary funds. It would involve greater bang for the buck and it would meet all the tests that we are aware of that have been put on the expenditure of federal monies.

We need three things. Two of them are relatively modest, the third one we realize is a major request.

The first item is that U.S. DOT has concluded and informed congress that constructing interstate 49 from Kansas City to Shreveport is technically feasible and that a four lane limited access facility is appropriate and eligible for funding. FHWA has verbally stated that Interstate 49 is one of a very few routes with that distinction. We need this route designated as a highway of national significance and the appropriation of funds annually under the new HSNS category.

To supplement the annual funding we request that congress initiate legislation to spend down the highway trust fund balances, which currently total 19 billion dollars, to provide Arkansas additional funding over and above the level to which it would otherwise be entitled to construct this high priority project and an additional project I will refer to in a minute.

I should point out that Arkansas is a donor state to the highway and mass transit trust funds. It receives a return of only eighty two cents for each dollar in federal motor fuel taxes paid by Arkansas motorists.

The second thing we need is what I would categorize as a special demonstration project. It mirrors the President's National Transportation Policy in forging a partnership of the Federal Government the states of Arkansas and Oklahoma and the Oklahoma Turnpike Authority, along with an innermodal link to the port of Catoosa on the McClellan-Kerr Arkansas River Navigation System and would also be involved in our third request, which is the Northwest Arkansas reliever airport.

The second request is that there be the development of a special demonstration project which constructs the missing link between Northwest Arkansas and the interstate system along the Cherokee Turnpike, which is U.S. 412, to connect to I44 at Tulsa. This project meets funding and programmatic criteria because it utilizes user fees and makes a major contribution to highway safety.

The narrow two lane portion of the Tulsa to Springdale route in Arkansas has an average three year accident rate of 4.6 per one hundred million miles driven over the past three years, which is 2.7 times the state average for rual two lane highways and 5.3 times the state average for rual four lane highways. When the Cherokee Turnpike is completed, it will funnel more and more traffic from a high speed limited access four lane facility into Arkansas' antiquated two lane highway and dramatically increase the accident rate. So this project not only will aid economics, growth and productivity, but it will save significant lives and significant loss of productivity because of accidental injury.

Our third item, which you will hear about in great detail, is the construction of a reliever airport. We would propose that public and private sectors combine their resources and expertise to enhance transportation capacity along the lines of the alliance airport located outside of Dallas. The idea would be to create a major air carrier hub in Northwest Arkansas which would divert air cargo aircraft on long-haul, national and international flights away from big passenger traffic terminals such as Chicago O'Hare, Dallas Ft. Worth, Memphis, Kansas City, and St. Louis. It could be done cheaper here than anywhere else. It could be done cheaper here than to add expansion and congestion to existing airports and you will be given detail on this by other panel members.

We would also like to endorse the federal aid surface transportation highway program proposed to US DOT and Congress for the state of California, which includes a split of total funding between HSNS and FAST on a 50/50 basis. The state authority to transfer 20% between programs because such split will increase Arkansas' allocation and provide funding flexibility to build highways of high state and local priority.

The appropriation formula should include the consumption of diesel fuel as a factor, with a weight of at least 1/3, to provide funding to build roads where the trucks are.

We believe that the program should ensure that no state gets less then 100% of its annual contribution to the highway and mass transit trust fund. We take that position for obvious reasons.

Again, thank you very much for your visit to Northwest Arkansas and your attention. I will now introduce these distinguished panel members.

James B. Blair
General Counsel
Tyson Foods, Inc.
Chairman University of Arkansas
Board of Trustees

ADDRESSING THE TRANSPORTATION CHALLENGES OF NORTHWEST ARKANSAS

A Presentation to

the

Committee of Public Works and Transportation

One hundred first Congress

U. S. House of Representatives

Glenn M. Anderson, Chairman

September 8, 1990

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NORTHWEST ARKANSAS COUNCIL

September 8, 1990

ADDRESSING THE TRANSPORTATION CHALLENGES OF NORTHWEST ARKANSAS

Executive Summary

I. Introduction: The Surface Transportation and Uniform Relocation Assistance Act of 1987 expires on September 30, 1991. The debate triggered by the upcoming expiration of the legislation and the prospect of completing the Interstate system, presents a major generational opportunity for the 102nd Congress, meeting in January, 1991, to frame a new surface transportation policy responsive to the needs of today's economy and tomorrow's opportunity.

The Infrastructure field hearing will gather information leading to the development of national policy and the eventual establishment of two highway programs: The Highway System of National Significance and the Federal Primary-Aid System.

Our task is to present convincing argument to the Members of Congress, the staff of the Public Works Committee who will write the legislation, and the members of the U. S. Department of Transportation (US DOT) / Federal Highway Administration (FHWA) who will make the Administration's proposal to Congress, that the needs of Northwest Arkansas for an improved highway system is of national scope and meets the funding and programmatic criteria for development.

II. Special Demonstration Projects: We propose the development of a project which mirrors the President's National Transportation Policy by forging a partnership of the Federal Government, the States of Arkansas and Oklahoma, the Oklahoma Turnpike Authority, and the private sector which utilizes a blend of funding to correct Congressional recognized deficiencies in the existing highway program structure.

We respectfully request the development of a special demonstration project which constructs the missing link between Northwest Arkansas and the Interstate System along the Cherokee Turnpike (US 412) to I-44 at Tulsa. Such a project meets funding and programmatic criteria by the utilization of user fees, the improvement of highway safety, the relief of highway congestion, the provision of rural access, and the development of an efficient intermodel link to the Port of Catoosa on the McClelland-Kerr Arkansas River Navigation System and the proposed Northwest Arkansas Reliever Airport.

We further request that the project be funded with federal-aid highway funds allocated to the State in addition to the funding to which Arkansas would ordinarily be entitled.

III. Aviation: Given the projection by the Federal Aviation Administration that aircraft activity will continue to outpace the capacity at major airports, one method of providing relief to both air space and airport overcrowding, congestion, and noise and air pollution at the major hubs would be to establish a reliever airport in a location with proximity to the geographic and population center of America.

We would propose that the public and private sectors combine their resources and expertise to enhance transportation capacity. The creation of a major air cargo hub in Northwest Arkansas to divert air carrier aircraft on long-haul national and international air cargo flights away from Chicago O'Hare, Dallas-Fort Worth, Memphis, Kansas City, and St. Louis Lambert would provide air space, airport, and ground access capacity in Mid-America's major hubs which could be set aside for the use of commercial aviation and the passengers they transport.

The air cargo carriers of the Nation are looking for a location which is centrally located within the United States which has the air space and airport capacity to handle wide-body aircraft on demand. The air cargo carriers appear ready and willing to plan, and help pay for, the development of runway capacity and the supporting state-of-the-art facilities required to more rapidly and economically process international and domestic freight for trans-distribution nationwide.

In addition, there are few places in America, none around the major hubs, where land can be purchased and facilities constructed for a lesser federal investment than would be required in Northwest Arkansas. We would like the opportunity to try.

Therefore, we respectfully request that the Northwest Arkansas Airport be included in the National Plan of Integrated Airport Systems as a new reliever airport; that favorable consideration be given to an immediate application for funding for a Northwest Arkansas Airport Master Plan; and that construction funding be set aside for the project as a Special Demonstration Project.

IV. Highway System of National Significance: The US DOT has concluded and informed Congress that constructing I-49 from Kansas City to Shreveport is technically feasible and that a four-lane, limited access facility is appropriate and eligible for funding. FHWA has verbally stated that I-49 is one of a very few routes with that distinction, therefore it will, in all probability be designated as a Highway of National Significance. We need such designation and the appropriation of funds annually under the new HSNS category.

To supplement annual funding, we should request that Congress initiate legislation to spend down the Highway Trust Fund balances, currently totaling $19 billion, to provide Arkansas additional funding over and above the level to which it would otherwise be entitled, to construct those high priority projects which have met the test of feasibility and which are of high national significance.

V. Federal Primary-Aid System: Funding of this portion of the federal highway program involves statements of policy which allocate funding among the states. The debate on this issue will be crucial in determining the annual level of funding for Arkansas. Therefore, the following points should be addressed:

- Endorse the Federal Aid Surface Transportation - Highway (FAST-Highways) Program proposed to US DOT and Congress by the State of California (Caltrans) which includes:
- A split of total funding between the HSNS and FAST on a 50%/50% basis with state authority to transfer 20% between programs. Such a split will increase Arkansas' allocation, and provides funding flexibility to build highways of high state and local priority.
- The appropriation formula should include the consumption of diesel fuel as a factor with a weight of at least 1/3 to provide funding to build roads where the trucks are.
- Ensure that no state gets less than 100 per cent of its annual contribution to the highway and mass transit trust funds. Arkansas currently is a donor state, receiving a return of only 82 cents for each dollar in federal motor fuel taxes paid by Arkansas motorists. The attaching information depicts the poor condition of Arkansas roads, it dependency on vehicle movement, and its relative standing in comparison to other states for funding.

An Overview of Northwest Arkansas

Northwest Arkansas, the Third Congressional District of Arkansas, a multi-billion dollar economic hub of production and distribution at the population center trendline of the United States, has experienced profound population and economic growth over the past 30 years. Despite the fact that the region is one of the largest centers of population in America which does not have a four-lane link to the Interstate system, two counties of that region, Benton and Washington, have seen their populations grow 129 per cent since 1960.

According to the preliminary 1990 census figures, Benton County had the second largest population increase of any county in Arkansas during the decade of the 80s, and Washington County ranked ninth. With an 18 per cent increase, the two-county population growth accounts for almost 64 per cent of Arkansas' total population increase for the period from 1980 to 1990 in recording a rate of growth which is 8.2 times the state average.

The economic well-being of the two county mirrors the growth in population as evidenced by assessments of real and personal property which were 15.9 times larger in 1986 than 1960, and bank deposits which have grown 1,960 per cent during the same period.

Looking forward, the future looks equally bright, as some early projections call for the two-county population to almost double again over the next two decade as the region continues it economic growth.

The growth of Northwest Arkansas has been fueled by three distinct economic factors: Business and Industry, Retirement, and Tourism and Recreation.

Business and Industry

The 1988 Report of Covered Employment and Earnings lists Benton and Washington Counties as the location of 310 manufacturing firms and 4,234 other employers that provided employment for 88,805 people who earned $1.5 billion during 1988. And that employment is growing. A mid-1980s report by the Arkansas Employment Security Division projected that Northwest Arkansas' employment would grow at a rate which was 66 per cent greater that the state average through 1995. To quote from that report "... the economic growth is being accomplished without a interstate highway system or a major airport. Transportation has been a major disadvantage, but efforts are being made to improve the system. These efforts, coupled with the educational and research facilities available and the progressive attitude of the city and county governments, make the economic growth of the area seem almost inevitable."

Inevitable growth does seem to be the picture for Northwest Arkansas when a listing of its major employers is reviewed. Many of America's leading manufacturing, distribution and trucking companies call Benton and Washington Counties home. Wal-Mart Stores, Inc., the nation's largest retailer, Tyson Foods, Inc., the nation's leading producer of poultry products, and J. B. Hunt Transport, Inc., the nation's largest provider of truckload freight services have their corporate headquarters in Northwest Arkansas.

In addition, many major national and international firms have located new and expanded manufacturing and distribution facilities within the region.

Retirement

Northwest Arkansas has been recognized nationally as an ideal site for retirement. Such recognition, and the resultant influx of retirees, has been a major factor in Northwest Arkansas' generation of almost 29 per cent of the state's in-migration and 101 per cent of the state's net migration during the period from 1980 to 1985. The hills and lakes of the Ozark and Boston Mountains have attracted thousands of new settlers who have greatly aided the economic well-being of the region. An improved transportation system can only enhance that growth by providing better access, thereby attracting greater numbers of potential retirees to share the good life of retirement in Northwest Arkansas.

Tourism

Northwest Arkansas, with its natural beauty, lakes and national rivers, has long been a destination for people who seek outdoor recreation. During 1989, millions of people visited the recreational areas of Beaver, Bull Shoals, Norfork and Table Rock Lakes and the Buffalo National River. In addition, the area's five state parks and the thousands of acres of National Forest attract a steady stream of visitors from throughout the county who want to experience the beauty of dogwoods in the spring, the active days of summer, and the fabled Flaming Fall Review.

The region, richly endowed with an agreeable climate, a wealth of natural resources and scenic beauty, and a geographic location at the center of America's future population, can only expect continued growth and economic development as its transportation systems improve.

I. Introduction:

The Surface Transportation and Uniform Relocation Assistance Act of 1987 expires on September 30, 1991. The debate triggered by the upcoming expiration of the legislation and the prospect of completing the Interstate System, presents major generational opportunity for the 102nd Congress, meeting in January, 1991, to frame a new surface transportation policy responsive to the needs of today's economy and tomorrow's opportunities.

The rich potential of this opportunity to create a new national highway system as the focus of federal-aid to highways in the post-Interstate era, will be irrevocably lost if the debate and policies that emerge default to the assumptions, institutional relationships, and programs that shaped the policies of three decades ago. The nation's economy, demographics, institutions, political agenda, international relations, infrastructure, and its transportation problems have fundamentally changed since the creation of the Interstate System.

It is within this changed environment that Congress must fashion the objectives and programs of a new national surface transportation program. A new program must be designed to:

- refocus national policies to respond to urban and rural access;
- give priority to projects that offer the best solution to each region's transportation problems;
- establish new partnerships and respective responsibilities that will assist the nation to remain competitive in a global economy; and
- provide accountability to Congress for achieving national objectives.

It is believed that structural changes in the overall federal, state, and local transportation partnership are critical to an efficient and responsive use of whatever level of resources that may be provided. It is our clear intent that the proposed structural changes should not be considered to be contingent upon expanded federal funding.

II. Special Interest Projects

Special interest projects appear to be the result of Congressionally recognized deficiencies in the existing highway program structure. Special interest projects tend to address gaps in national policy.

When a need for a special interest project is identified, it should meet certain funding and programmatic criteria. Those are: the special interest project is a high priority within the statewide transportation program of projects; it is clearly among the highest priorities within the local jurisdictions; and the state/local agencies are willing to share in the cost of the project.

U. S. 412

President Bush's newly published National Transportation Policy calls for a restructured transportation partnership which gives state/local government and the private sector the tools they need to address critical requirements in transportation.

We propose the development of a project which mirrors that national policy by forging a partnership of the Federal Government, the States of Arkansas and Oklahoma, the Oklahoma Turnpike Authority, and the private sector in meeting the transportation needs of the Nation by utilizing a blend of financing which helps bridge the gap between transportation infrastructure investment and funding.

We respectfully request the development of a special demonstration project which constructs a 20 mile section of U. S. 412 from the Arkansas - Oklahoma border at Siloam Springs to the junction of U. S. 71 at Springdale to provide the missing link between Northwest Arkansas and the Interstate system along the Cherokee Turnpike (U. S. 412) to I-44 at Tulsa.

Such a project meets funding and programmatic criteria by providing not only rural access to the Interstate system, but by providing an efficient intermodel link to the Port of Catoosa on the McClellan-Kerr Arkansas River Navigation System, Tulsa International Airport and the proposed Northwest Arkansas Reliever Airport.

We further request that the project be funded with federal-aid highway funds specifically allocated to the State of Arkansas in addition to the minimum allocation funding to which Arkansas would ordinarily be entitled.

To define the need for a special demonstration project, the following factors should be taken into account:

a. The project calls for the utilization of user fees generated by the Cherokee Turnpike to augment state and federal funding to develop a project which would link rapidly growing Northwest Arkansas with four-lane highway access to the Interstate system.

b. The narrow, two-lane portion of the Tulsa to Springdale route in Arkansas has an average accident rate of 4.60 per 100 million miles driven over the past three years, 2.7 times the state average for rural two-lane highways, and 5.3 times the state average for rural four-lane highways. With the completion of the Cherokee Turnpike, and the funneling of more and more traffic from a high speed, limited access, four-lane facility onto Arkansas' antiquated two-lane highway, the accident rate is expected to increase dramatically.

c. Relieve congestion: 1989 average annual traffic volumes on U. S. 412 between the Arkansas-Oklahoma state line and U. S. 71 at Springdale ranged from 5,180 to 12,620. However, a 1987 study of the condition of an 81 mile stretch of U. S. 412 east and west of Springdale indicated that 92 per cent of the highway is 2-lane, with 99 per cent having should width of less than 8 feet, and 79 per cent less than 4 feet. Seven per cent of the route has zero shoulder. Safe passing sight distance is not available on 66 per cent of the route, and only four truck climbing lanes are available to relieve congestion.

III. Aviation

The United States enjoys the most extensive and sophisticated aviation system in the world today. Air travel is second only to the private automobile as the primary mode of intercity passenger transportation in the United States, and the air cargo industry, although still small be conventional tonnage and ton-mile measures, is rapidly growing.

The principal challenge facing aviation planners over the next decade will be to find a way to accommodate the projected increases in demand for air transportation services without compromising air safety, especially in the 21 primary air carrier airports which are now experiencing more than 20,000 hours of annual flight delays at a yearly cost to airlines and U. S. businesses of at least $5 billion.

By virtually any measure, commercial aviation has been the fastest growing mode of transportation for over a decade and shows no signs of relinquishing that distinction. Between 1975 and 1987, airline revenue passenger-miles increased 141 per cent, enplanements increased 118 per cent, and cargo ton-miles increased 110 per cent.

The current air transportation infrastructure,both airports and airways, has its most crucial problems at the major air carrier hubs which account for nearly 69 per cent of all commercial air passenger traffic. The National plan of Integrated Airport Systems (NPIAS) anticipates that new airports will be constructed at some locations and capacity improvements will be made at other airports. Nevertheless, aircraft activity is expected to continue to increase faster than capacity can be added at most busy air carrier airports, and a gradual increase in congestion and delay is anticipated.

Increasing Capacity

Given the projection by the Federal Aviation Administration that aircraft activity will continue to out-pace the capacity at major airports, one method of providing relief to both air space and airport overcrowding, congestion, and noise and air pollution at the major hubs would be to establish a reliever airport in a location with proximity to the geographic and population center of America.

We would propose that the public and private sectors combine their resources and expertise to enhance transportation capacity. An example might be Alliance Airport, located outside Dallas, which demonstrates a forward-thinking approach to providing needed transportation capacity by developing a cooperative private, federal, state and local effort to build new facilities to accommodate cargo and passenger transportation.

The creation of a major air carrier hub in Northwest Arkansas would divert air carrier aircraft on long-haul national and international air cargo flights away from Chicago O'Hare International, Dallas-Fort Worth International, Memphis International, Kansas City International, and Saint Louis Lambert International. The result would provide added air space, airport and ground access capacity in Mid-America's major hubs which can be reserved for the use of commercial aviation and the passengers they transport.

The creation of a new reliever airport facility in Mid-America that is dedicated to the rapid and economical processing of air freight merits consideration for two reasons.

First, the air cargo carriers of the National are looking for a location that is centrally located within the United States that has the air space and airport capacity to handle wide-body aircraft on demand. The air cargo carriers appear ready to plan, and help pay for, the development of runway capacity and the supporting state-of-the-art facilities required to more rapidly and economically process international and domestic freight for trans-distribution nationwide.

In addition, the air cargo carriers are projecting the need to develop new, major maintenance facilities for their expanding fleet of aircraft. By combining those projected new facilities at an air cargo airport located at the center of America's population and geography, the utilization of aircraft and ground facilities can be enhanced.

Second, there are few places in America, none around the major hubs, where land can be purchased and facilities constructed for a lesser federal investment than would be required for such a facility in Northwest Arkansas. We would like the opportunity to try.

Therefore, we respectfully request that the Northwest Arkansas Airport be included in the National Plan of Integrated Airport Systems as a new reliever airport; that favorable consideration be given to an immediate application for funding for a Northwest Arkansas Airport Master Plan; and that federal construction funding be set aside for the project as a Special Demonstration Project.

IV. Federal Highway Program - Highway System of National Significance

The Highway System of National Significance (HSNS) Program, as authorized by Congress, would aim to preserve our nation's investment in its interstate transportation system; aid interstate commerce and national defense; and expand our domestic and international commerce and trade. The HSNS would be a state designated highway network based on Congressionally established national transportation goals and objectives.

Each state Department of Transportation in cooperation with the United States Department of Transportation (US DOT), would designate its HSNS based on Congressionally identified criteria that reflect the national goals and objectives for the HSNS.

Congress would set the broad goals and objectives for the HSNS. The US DOT would establish specific measures to be used by states to assess the performance of the HSNS in meeting these goals and objectives and report to Congress.

Interstate 49

The State of Arkansas, working in conjunction with the States of Louisiana, Missouri, Oklahoma and Texas, has prepared and submitted to the U. S. Department of Transportation the Kansas City, Missouri to Shreveport, Louisiana Multi-State Highway Feasibility Study.

The study reports the feasibility and necessity of constructing 503 miles of controlled access highway with an estimated cost of $1.7 billion in 1987 dollars. The Arkansas section of the route covers 267 miles and has an estimated construction cost of $1.093 billion.

The Department of Transportation agrees with the States' conclusion that constructing this route is technically feasible and that a four-lane, limited-access facility is appropriate, thereby ensuring a high quality of service and continuity of design along the entire route length from the Gulf of Mexico to the Great Lakes.

The Federal Highway Administration has verbally indicated that the Kansas City to Shreveport Corridor (I-49) is the only study currently of record which has met the test of feasibility, and there is high probability that the route will be named to be part of the Highway System of National Significance (HSNS).

The Department of Transportation, in its transmission of the study to the Speaker of the House, states that the route from Kansas City to Shreveport is eligible for Federal-aid funding, such as the assistance DOT makes available to the States each year by formula for Federal-aid primary projects. However, DOT further notes that insufficient funding is available from annual appropriations to meet all needs.

In order to help meet those needs, the Federal Highway Administration (FHWA), in its current draft of the proposed Reauthorization of the National Highway Program, recommends a "fiscally responsible expenditure of the Highway Trust Fund balance", currently $19 billion, over the five year period from 1992 to 1996.

We respectfully request that Congress initiate legislation to draw down the Highway Trust Fund balances to provide additional funding to the states, through an equitable allocation formula, over and above the level of funding to which the states would otherwise be entitled under the minimum allocation formula, thereby allowing the states to construct those high priority projects which have met the test of feasibility and which are of high national significance.

The FHWA administrator, Thomas Larson, in describing the parameters the FHWA will use in recommending establishment of the new highway system, has asked the states to submit data which permits system evaluation. However, the preliminary allocation of highway miles to the State under FHWA's tentative draft of the HSNS is insufficient to meet the needs of Arkansas. According to the Arkansas Highway and Transportation Department, the allocation of 1,110 to 1,555 miles will not cover the 550 miles of the existing Interstate system and allow for the inclusion of I-49 without taking other routes off the federal primary-aid system. There is concern that the Arkansas Highway Commission would not include the full I-49 route in the HSNS at the expense of routes in other parts of the state.

V. Federal Primary-Aid System

The Federal Primary-Aid System, or the Federal Aid Surface Transportation - Highways (FAST-Highways) Program as proposed by the State of California (Caltrans) is an extension of the Combined Road Plan Program concept created by Congress in 1987.

The FAST Program would provide a framework for states to pursue broad national goals and objectives set by Congress yet recognize the state and local focus of the FAST system and its support of the HSNS.

The FAST Program would allow states and local jurisdiction the flexibility to choose from a broad range of transportation solutions to respond to their unique set of transportation concerns. Such a program would provide flexibility to pursue solutions which bring the most efficient increase in mobility and effectively address regional and local needs.

A goal of the Caltrans FAST System is to improve intrastate and interregional commerce. One of its primary objectives is the establishment of major regional truck routes for access to economic centers, thereby reducing the travel time for trucks using the statewide FAST system. We strongly recommend the establishment of such an objective by the State of Arkansas.

VI. Highway Program Funding

The primary goal of the California FAST program is to provide each state with the opportunity to use its total resources (federal, state, local and other), in ways that will respond effectively to its specific circumstances of objectives.

To this end, Congress should specify the split of total funding between the HSNS and FAST Programs to be 50%/50% and that each state be allowed to transfer up to 20% of its total federal highway apportionment from one program to the other.

Funding allocations should be based upon factors that correlate well with the Congressionally defined goals and objectives, but are decoupled from direct ties to the manipulable factors of a mileage defined system.

The funding mechanism should take into account the factors of total public road mileage, diesel fuel consumption and vehicle miles traveled (VMT) in establishing an apportionment formula for the HSNS. We recommend that HSNS Program funds be distributed on a formula which allocates approximately 1/3 of funding to each factor: total statewide rural lane miles and VMT; total statewide urban land miles and VMT; and statewide diesel fuel consumption, which serves as a surrogate for heavy truck use.

Funding for the FAST Program should be apportioned to the states based on 100 per cent of the proportionate contribution each state makes to the federal highway trust fund. Such action would have a significant impart of the amount of federal funding received by Arkansas and correct the present inequities of the minimum allocation formula which are reflected by Arkansas' position as a donor state to the Federal Highway Trust Fund.

The following statistics provide clear-cut evidence of the state's position, relative to other states, in the areas of highway use and condition, expenditures for construction and maintenance, and the receipt of revenues to cover those expenditures.

Arkansas, with its high incidence of older, less fuel efficient vehicles, pick up truck and heavy diesel trucks, consumes more motor fuel per registered vehicle than any other state in the Nation. In 1988, Arkansas motorists consumed an average of 1,129 gallons of motor fuel, 62 per cent more than the average Pennsylvania motorist and 78 per cent more than the average Ohio motorist.

Arkansas motorists, because of their dispersion in rural communities, drive 13,468 miles per vehicle per year, a number exceeded by no other state in the Nation. California motorists, by comparison, drive 16 per cent less miles per vehicle per year while Iowa vehicles travel 38 per cent less than the average Arkansas vehicle.

Arkansas, with 16,169 miles, has the 16th largest state highway system in the county, only slightly less than New York and more than Tennessee or Minnesota. And those miles are wearing out. According to the Federal Highway Administration, only 14 states in the Nation have a higher percentage of highway miles with poor pavement condition. Conversely, only 28 per cent of the Arkansas highway miles are in good condition. By comparison, 40 states have a higher percentage of good highways, while only ten states have less.

Highway system deterioration, according to the National Transportation Strategic Planning Study issued by US DOT, is costly and discourages travel. To quote from the study, "Poor highway conditions can increase per-mile costs of highway usage by up to 30 per cent and travel time by up to 20 per cent when compared to costs for roads with good to excellent conditions. Changes in vehicle operating costs and travel time influence national economic productive and emergency response capabilities."

Relief for these problems of poor highway condition does not appear to be in sight, for Arkansas ranks 42nd among the states in capital outlay per mile and 46th in the county in disbursements per mile during calendar year 1988. By comparison, disbursements per mile in New Jersey were 19 times greater than Arkansas disbursements.

In order to generate financing to correct its highway problems, Arkansas motorists are paying state highway user fees, primarily motor fuel taxes, which raise sufficient state revenue to rank the state as 31st in the Nation during 1988. In addition to revenue generated by state highway-user fees, the state receives an annual allocation of funding from the Federal Highway Trust Fund. Supported primarily by the collection of federal motor fuel taxes, the Trust Fund is a crucial source of approximately 40 per cent of Arkansas' annual highway revenue.

Since the Highway Trust Fund was established in 1957, Arkansas has barely managed to break even as to the amount of money contributed and the amount of money received. On the other hand, 39 states have received more money than they have paid into the trust fund. And our position continues to decline.

The latest statistics show that Arkansas is currently receiving only 82 cents for each dollar that Arkansas motorists contribute to the highway portion of the Trust Fund. In Fiscal Year 1988, Arkansas contributed almost $173 million in highway user fees to the Trust Fund, and received payments of only $145 million, a shortfall of $28 million.

By comparison, only six states received less of their contribution to the trust fund than Arkansas, and some wealthy states, such as Connecticut, received almost $3 for each dollar paid in federal motor fuel taxes.

When comparing Arkansas' contributions to and receipts from the Mass Transit Account, we are at the very bottom of the list of states and receive only four cents for each dollar that Arkansans contribute. For example, in Fiscal Year 1988, payments into the Mass Transit Account by Arkansas taxpayers account for approximately $14.5 million. Apportionments from the fund, during that fiscal year, amounted to less than $600,000.

We recommend a minimum floor of turnback allocation equal to 100 per cent of the amount paid in to both the highway and transit funds, thereby bringing Arkansas closer to a break-even position relative to contribution to the trust fund.

Arkansas, with its vibrant trucking industry, consumes large quantities of diesel fuel, and that consumption is increasing dramatically as evidenced by an 88 per cent growth in total taxable diesel fuel consumption over the past decade.

Yet diesel fuel consumption is not a factor used in the apportionment formula for the federal funding of Arkansas highway. Therefore Arkansas does not receive an equitable return on its payment of diesel fuel taxes paid into the highway trust fund.

We recommend that funding be returned to the states where the trucks are running and that can be accomplished by adding diesel fuel to the formula for apportionment under the new allocation formula being debated as part of the new Highway System of National Significance.

Less affluent rural states and large urban states grappling with local and regional transportation problems need to maintain low state matching ratios for both federal programs. Therefore, we recommend that the matching ratio for the HSNS and FAST Programs should be 85% Federal and 15% State/Local/Other.

As has been done historically, the new transportation act should continue to include various assurance to provide equitable funding levels for all states.

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COMMITTEE ON PUBLIC WORKS & TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

Hearing on Municipal Infrastructure Needs

September 8, 1990

Statement By:

Strib Boynton
City Administrator
City of Fort Smith, Arkansas

Chairman Anderson, Congressman Hammerschmidt, and the other distinguished Members of the U. S. House Committee on Public Works and Transportation. I thank you for the invitation to appear this morning, and in particular, I want to thank you for your interest in northwest Arkansas' infrastructure needs. Your leadership and willingness to tackle infrastructure issues are extremely important to us, as well as greatly appreciated and respected.

Solving the infrastructure problem has been Fort Smith's number one priority in recent years. Our 75,000 citizens are courageous and self-reliant. Our citizens also believe in taking clear and positive action to solve problems. Our community's civic, media, business and citizen leaders also believe in actively working together for the common good of all concerned.

I believe most communities do have the capacity to solve many of their own problems. In Fort Smith for instance, our citizens have approved ten separate referendums in the past five years specifically designed to rebuild our infrastructure, upgrade existing public services, and expand local educational opportunities. A list of the ten referendums is attached to this statement for your information.

In the last five years, our city has also successfully obtained and defended a hydropower license from the Federal Energy Regulatory Commission (FERC), the Corps of Engineers' Section 404 dredge and fill permit, and various other Oklahoma and Arkansas approvals for our new $37.5 million regional bi-state water supply project. The critically needed water project is well underway, and if all goes well, the 130,000 people in western Arkansas and eastern Oklahoma will enjoy a 50% increase in reliable and low cost water in another eighteen months.

Supported by our citizens, in the past five years our city has completed or currently has under construction more than $116.2 million in various water, sewer, street, flood control, and other needed capital improvements. A list of the various projects is also attached to this statement.

In the next couple of years, our community will be facing the significant challenge of how to best finance and schedule nearly $175.0 million in capital projects necessary to further expand our regional water supply project, upgrade our airport, repair deteriorated water distribution and sewer collection facilities, and continue rebuilding our city streets, bridges and drainage ways. Many of our capital expenditures also will be necessary to comply with new solid waste and sewage treatment regulations associated with recent amendments to the Clean Water Act, the Safe Drinking Water Act, and the Resource Conservation and Recovery Act. A list of Fort Smith's infrastructure needs for the 1990's is attached to this statement.

Today, I am tempted to simply ask you for money - because federal dollars can certainly help. Yet, I think we all recognize that federal dollars are limited by the staggering federal deficit and the growing saving and loan dilemma. Unless those problems are soon resolved, the various regional and local infrastructure needs discussed this morning will soon be academic and unmanageable.

Briefly, I believe there are at least four specific actions the Congress can take to help cities.

First, a clear and consistent national policy involving wastewater and stormwater treatment would help each of us to better plan and manage our sewer systems. For nearly twenty years, the federal government has actively encouraged cities to separate their wastewater and stormwater collection systems in order to comply with the National Pollutant Discharge Elimination System (NPDES) permit requirements of the 1972 Clean Water Act. Many cities, including Fort Smith, have spent millions of local dollars in recent years to develop and maintain the separate sewer systems as required by the federal government.

However, after millions of federal and local dollars have been spent across this country to develop and maintain separate sewer systems, the Clean Water Act was amended in 1989 to now require cities to address both stormwater and wastewater needs in their new NPDES permits.

While combining stormwater and wastewater treatment systems may eventually prove to be more cost effective than separate collection and treatment systems, reversing twenty years of national policy without any federal financial help creates a staggering financial burden for citizens and businesses in those cities that have already spent their local dollars to develop and maintain separate sewer systems.

Second, Section 404 of the Clean Water Act does not contain a specific time period in which opponents can appeal the issuance of a Corps of Engineers' dredge and fill permit. Although many federal laws specifically set a 30 or 60 day period to appeal an agency's decision to a court, Section 404 of the Clean Water Act does not. Consequently, groups opposed to needed projects can delay the permitting process indefinitely by waiting as long as they think the courts will allow before filing an appeal. I believe a clear and expeditious appeal process, including a 30 or 60 day appeal period, should be included in Section 404 in order to avoid potentially costly and unnecessary time delays on critically needed water supply and other projects.

Third, just about every community currently wants to recycle their way out of the solid waste crisis. Recycling is popular, but can only be an effective alternative if markets exist.

I suggest the Congress can best help cities by developing national and international markets for recyclable materials rather than mandating recycling as a solution. I believe communities will recycle if markets for recyclables are strong.

I believe at least two bills have recently been introduced in the Congress to help develop markets for recyclable products. The bills would provide tax incentives for recycling facilities, require the federal government to buy recyclable products, establish a labeling system for recyclables, and require the Commerce Department to create a national clearinghouse and advertising campaign for recycling. I encourage you to support these and other ideas to help develop strong national and international markets for recyclables.

Fourth, I also believe the Congress can help cities by supporting legislation giving cities greater financial and regulatory flexibility, and opposing legislation that might undercut our ability to solve our own problems.

Specifically, I believe the Congress should oppose any limitations on the federal deductibility of state and local taxes, allow cities access to the Highway and Aviation Trust Fund monies for needed local improvements, and provide cities with the greatest possible flexibility in the use of tax-exempt municipal bonds. I also tend to believe the Congress should commit to not impose costly new federal regulations on cities unless there is a corresponding federal appropriation to help cities finance the federal compliance costs.

I want to conclude by again thanking each of you, including Chairman Anderson and Congressman Hammerschmidt, for caring about northwest Arkansas' infrastructure needs. While many of us would like, need, and will ask for federal dollars - importantly - we also need your personal leadership in finding flexible alternatives and creative regulatory solutions as we attempt to solve our own infrastructure needs.

Your consideration is appreciated. Thank you.

SUCCESSFUL COMMUNITY REFERENDUMS
(1985 - 1990)

	Issues	Sponsor
1985	Street Sales Tax (first penny)	City
1986	Library Millage	City
1987	School District Millage	School
1987	Grand Avenue Thoroughfare Project	City
1988	Enhanced 9-1-1 Emergency System	City/County
1988	Creekmore Swimming Pool Millage	City
1988	Lee Creek Sales Tax (second penny)	City
1989	Police Pension Millage	City
1989	Fire Pension Millage	City
1990	Westark Community College Millage	College

PAST & PRESENT CITY INFRASTRUCTURE PROJECTS
(1986 - 1990)

Lee Creek Regional Water Project	$37.5 million
Wastewater Treatment Plants	9.3 "
Operations Center	1.4 "
Public Parking Garage	2.3 "
Swimming Pool	1.0 "
Waldron Road	10.2 "
Mill Creek Flood Control	8.1 "
Other Street/Bridge/Drainage Projects	46.4 "
Total	$116.2 million

FUTURE CITY INFRASTRUCTURE NEEDS
(Early 1990's)

Major Street Projects	$28.8 million
Local Street/Bridge/Drainage Projects	40.0 "
Wastewater Treatment Plant	25.0 "
Expanded Regional Water Supply	35.0 "
Airport Improvements	19.0 "
Water Distribution/Sewer Collection Needs	19.1 "
City Police & Fire Facilities	5.0 "
City Administrative Offices	3.0 "
Total	$174.9 million

4-MINUTE SPEECH - REGIONAL AIRPORT

My name is Raymond J. Ellis. I am a native of Arkansas, a long time resident of Fayetteville, and have an extensive background in air transportation.

Northwest Arkansas is located at the heart of the nation. It is at the cross roads of America. It is an educational, food producing, merchandising, and transportation area, all of which has made it one of the most progressive, fastest growing, and economical centers in the country.

The University of Arkansas with its state and nationwide impact is the nucleus and base from which the area has grown, and it is the catalyst for continued growth. We have some of the largest and leading trucking firms in the country based here; J.B. Hunt, and Arkansas Best Freight. We have the leading poultry producers, some of which are; Tyson's, George's, Peterson Industries and Hudson's Foods; and we have one of the top merchandising companies, Walmart. All of these companies grew up and are based in Northwest Arkansas. All of them have contributed massively to the growth, development, and economic base of the area. All of these institutions, and businesses have used the airplane as a business tool in the building of their own businesses. They have made great use of our airports and air facilities, and created great demand for public air services. Efficient, convenient, and safe airports and air service are vital to them as well as to the general public.

Northwest Arkansas has an outstanding system of airports and airways facilities, and until now, these facilities have kept pace with the growth and development of the area. But they are being outgrown. What we need now are improved airways and air traffic facilities, and an air carrier regional airport in order to meet the needs of this progressive area.

Drake Field, Fayetteville, which has served as the regional facility for many years, has one of the major, and most impressive enplanement statistics records in the central part of the country. These statistics have confirmed that fact and have exceeded the forecasts made in previous years.

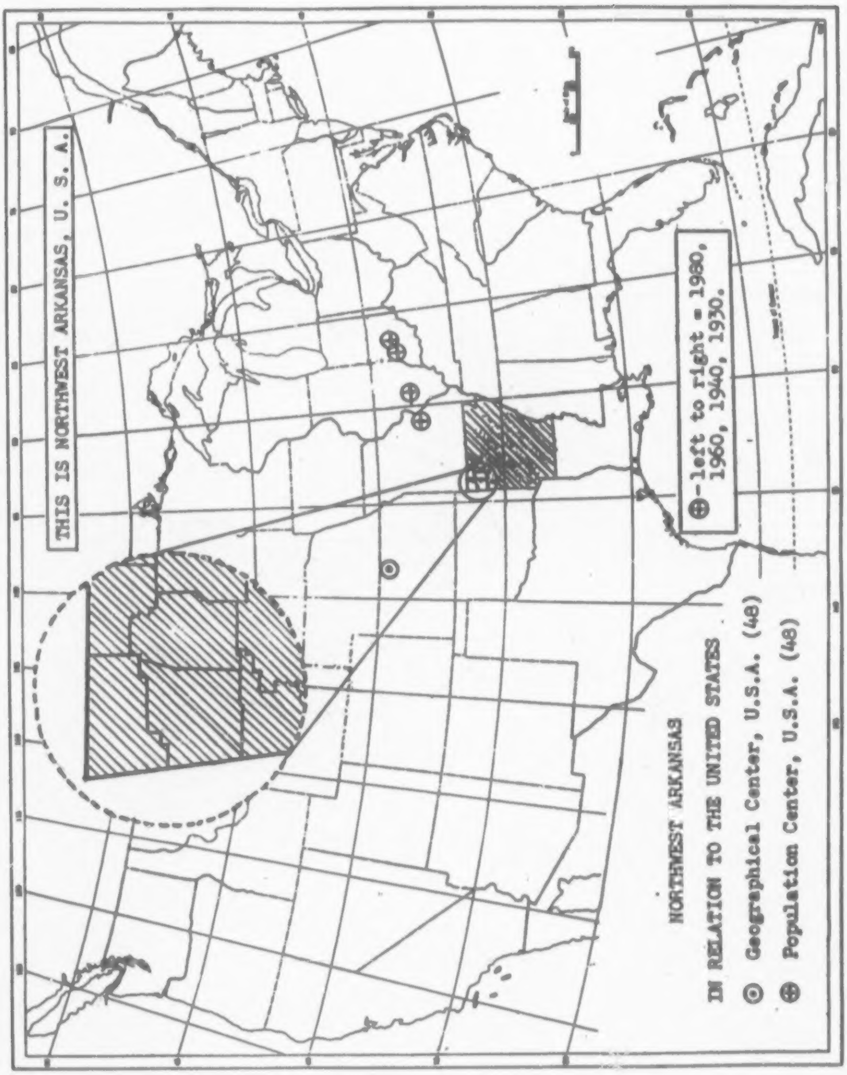
Drake Field is served by four commuter airlines having connections with five major airlines at hub cities in the surrounding states. This commuter airline growth developed from the earliest air service companies serving this area, Scheduled Skyways, and Frontier Airline as the base, both of whom have been merged with newer, larger, and more progressive airlines. The commuter airlines serving this area are very positive in their need for an all weather airport meeting the national standard for a safe and highly efficient airport. A regional airport serving the public's need is vital to the continued growth and development of this area.

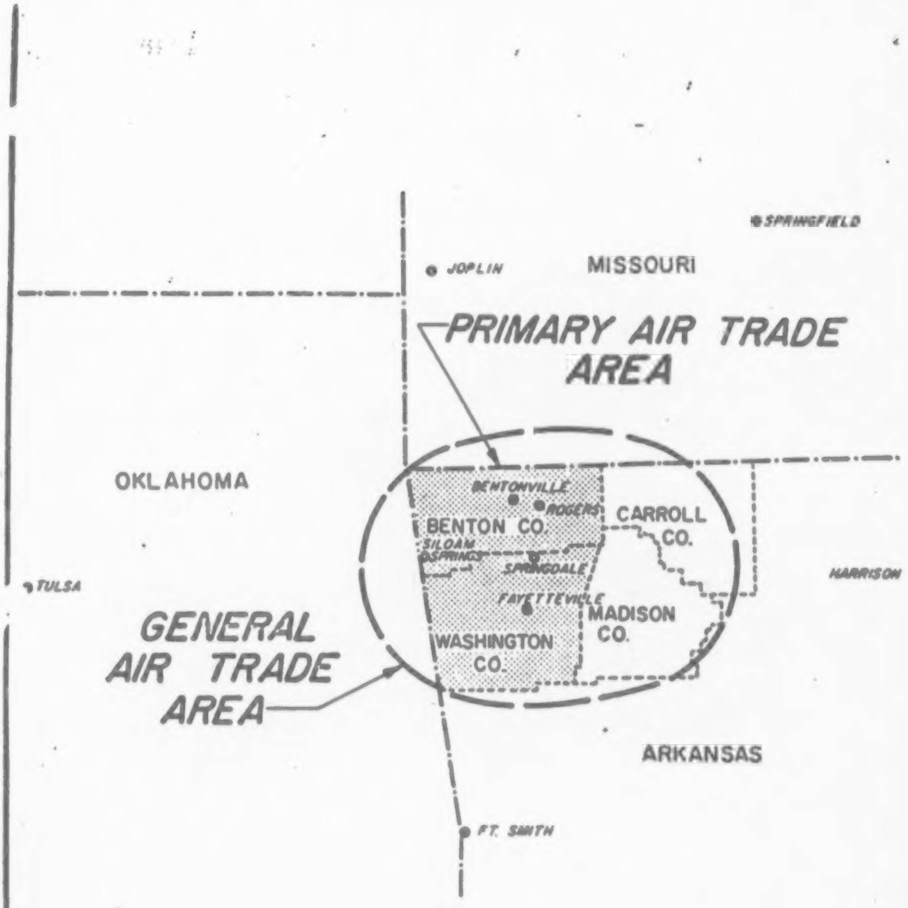
Of critical value to the national airport systems is the fact that a new airport facility which can serve Northwest Arkansas, can also serve Mid-America as a reliever airport to alleviate congestion at major air hubs of the heartland. In relieving airport congestion, air space, ground access, noise and air pollution problems are relieved as well.

Federal and State transportation funds are available through transportation trust funds, up to 90% of which can be used for the development of airports, and airport facilities. User taxes, federal and state, on airplane tickets, fuel, and sales taxes have been accumulating in Trust funds, and will continue to be paid into these funds.

Teams and organizations are ready to raise the local funds and to start the action. We are asking you to help in this project.

Thank you!


THIS IS NORTHWEST ARKANSAS, U. S. A.
⊕-left to right = 1980, 1960, 1940, 1930.
NORTHWEST ARKANSAS
IN RELATION TO THE UNITED STATES
⊙ Geographical Center, U.S.A. (48)
⊕ Population Center, U.S.A. (48)

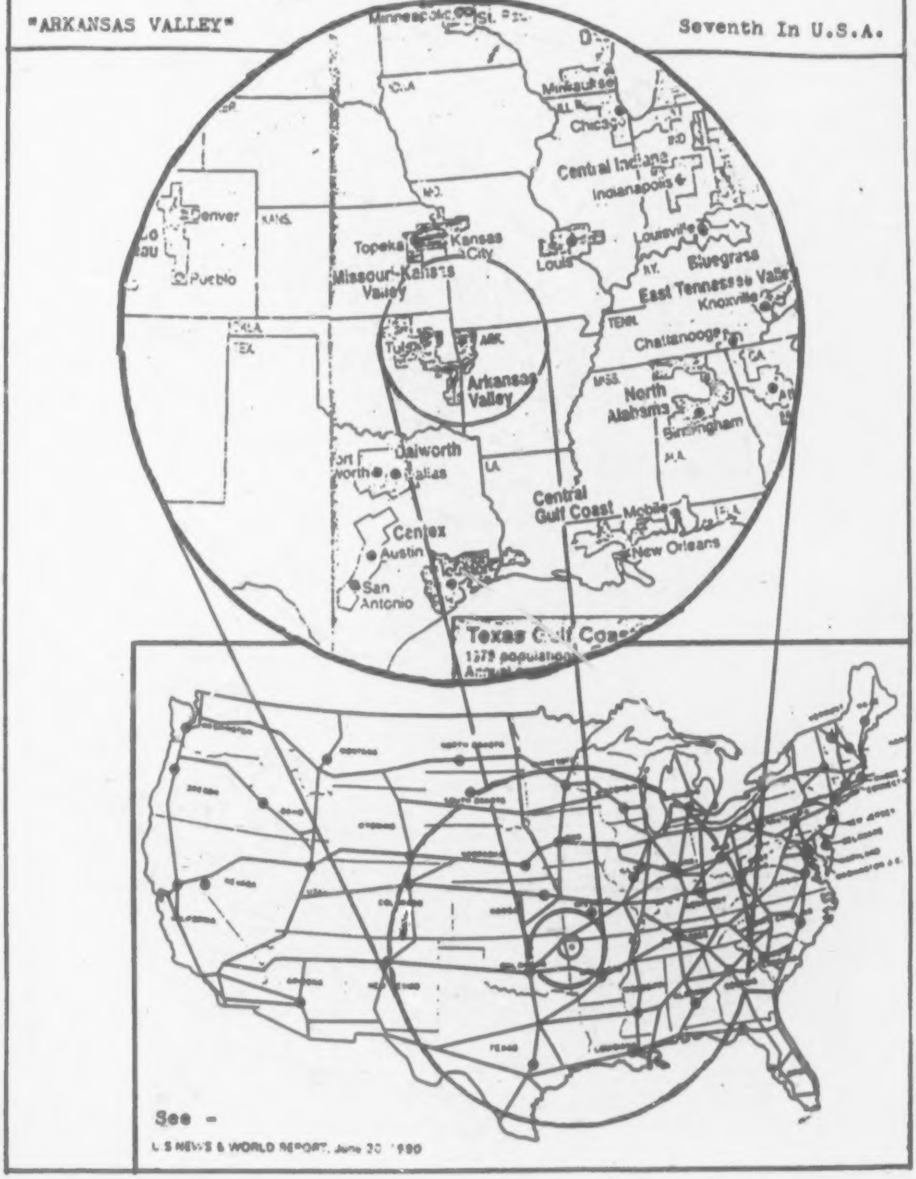

SPRINGFIELD
JOPLIN
MISSOURI
PRIMARY AIR TRADE AREA
OKLAHOMA
BENTONVILLE
ROGERS
BENTON CO.
CARROLL CO.
SILOAM SPRINGS
SPRINGDALE
TULSA
HARRISON
FAYETTEVILLE
MADISON CO.
WASHINGTON CO.
GENERAL AIR TRADE AREA
ARKANSAS
FT. SMITH

NW ARKANSAS REGIONAL AIRPORT	AIR TRADE AREA	1985 1

A NATION OF "STRIP CITIES"

Where Super Cities are Growing Fastest

"ARKANSAS VALLEY" Seventh In U.S.A.


Minneapolis
St. Pau
Milwaukee
Chicago
Central Indiana
Indianapolis
Denver
Pueblo
Topeka
Kansas City
Missouri-Kansas Valley
St. Louis
Louisville
Bluegrass
East Tennessee Valley
Knoxville
Chattanooga
Tulsa
Arkansas Valley
North Alabama
Birmingham
Dalworth
Fort Worth
Dallas
Central Gulf Coast
Mobile
New Orleans
Centex
Austin
San Antonio
Texas Gulf Coast
1979 population
KANS.
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ARK.
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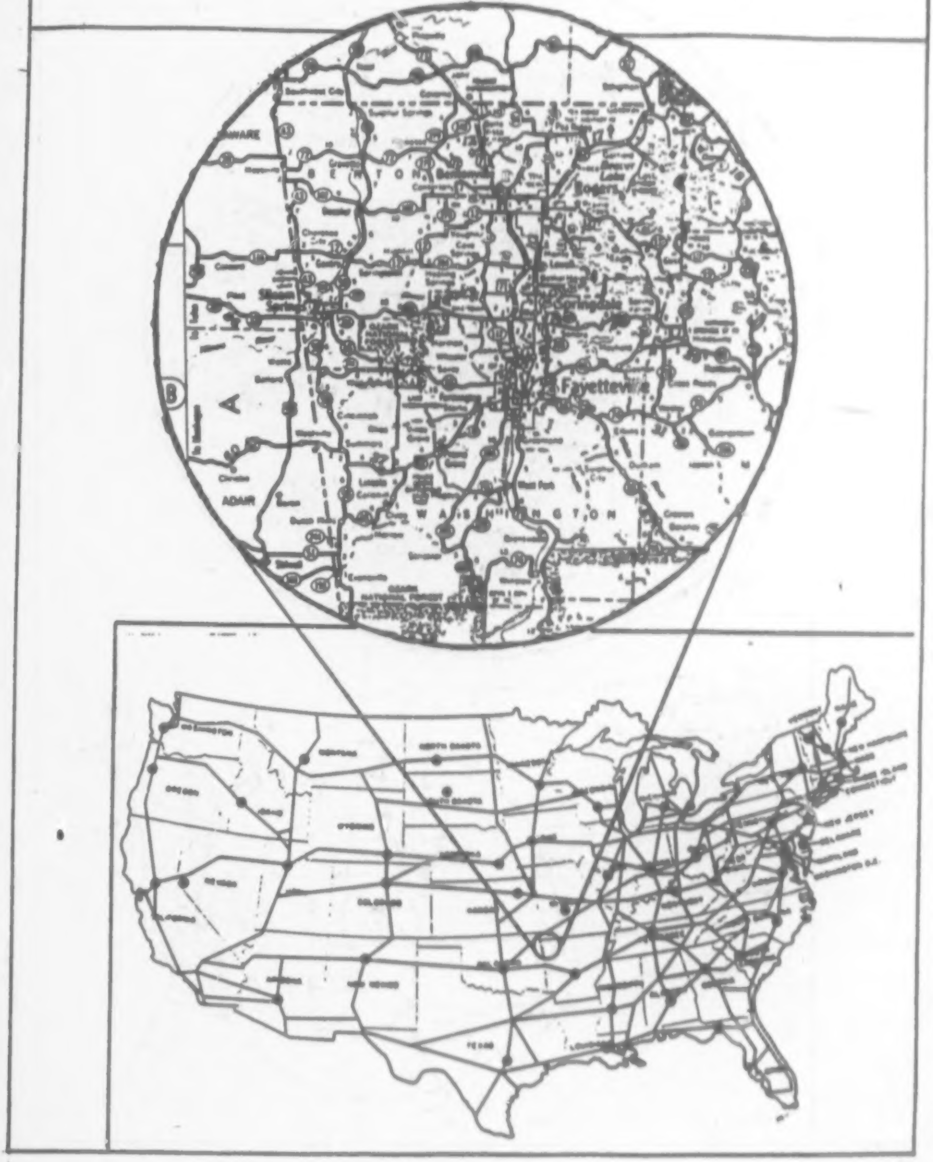
U.S. NEWS & WORLD REPORT, June 30, 1980

THIS IS NORTHWEST ARKANSAS, U. S. A.


Fayetteville
Springdale
Rogers
Siloam Springs
WASHINGTON
ADAIR

DEPARTMENT OF THE ARMY
UNITED STATES ARMY CORPS OF ENGINEERS
SOUTHWESTERN DIVISION
COMPLETE STATEMENT OF
BRIGADIER GENERAL STANLEY G. GENEGA
DIVISION COMMANDER
BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
UNITED STATES HOUSE OF REPRESENTATIVES
SEPTEMBER 8, 1990

Mr. Chairman and Members of the Committee, I am pleased and honored to be here today to represent the Southwestern Division of the Army Corps of Engineers and to participate in this panel to discuss the Corps' interest, pursuant to its Civil Works Mission in the nation's infrastructure. I want to discuss two different, but related, matters on infrastructure. First, I will discuss the unique capabilities of the Corps in helping to solve some of the nation's infrastructure problems. Then, I will discuss some of our ongoing activities in the Southwestern Division — particularly in the part of northwestern Arkansas that is within our Division boundaries.

The Southwestern Division has a long history of developing water resource and military infrastructure in the Southwest. Through our Civil Works program, the Corps has been engaged primarily in construction of harbors and waterways, flood control projects and large multiple purpose dams. Our military missions have resulted in the construction of large military facilities, airbases and installations including associated infrastructure such as housing, roads, water supply and waste treatment plants, and solid waste disposal.

Until the decade of the 1980's, the Nation had not focused on the long term operation, maintenance and rehabilitation costs that our nation's decaying infrastructure would place on the shoulders of future generations. The study conducted by the National Council on Public Works Improvement and its report, Fragile Foundations, showed the need to develop systems today that will reduce future financial burdens. The Corps is concerned not only with the infrastructure that the Corps has developed but for the rest of our nation's infrastructure. Not only do we need to be efficient and effective in administering existing programs, but we must establish new and creative approaches for effective partnerships between Federal, state and local governments and the private sector.

In keeping with this philosophy, The Assistant Secretary of the Army for Civil Works, Robert W. Page, sponsored a forum in May on Capitol Hill with government and industry leaders to discuss opportunities for providing environmental infrastructure facilities through public/private partnerships. In addition, our Director of Civil Works, Major General Patrick J. Kelly, has established a Corps Infrastructure Task Force which has the responsibility to devise a Corps strategy for its contribution to the total national effort to address our many infrastructure needs. The plan involves maintaining and sustaining water resources, water supply, energy, solid waste disposal, hazardous and toxic waste disposal, and other infrastructure modes within the Corps mission areas and under existing authorities. Much of this plan calls for building further on Corps partnerships with other agencies of government. The infrastructure initiative included in the President's FY 1991 Budget is designed to initiate discussions with other agencies having diverse infrastructure missions in an effort to develop a broad Federal strategy. The Corps is prepared to play a constructive role in the infrastructure challenges of the future.

I would like now to focus on some of the water resource infrastructure problems and opportunities in Northwestern Arkansas.

One of the major facilities for infrastructure over which we have jurisdiction is the McClellan-Kerr Arkansas River Navigation Project. High water flows in each of the last two years have restricted traffic movements. However, the biggest problem that we face is the annual problem at the White River Entrance Channel. This is the first reach of the McClellan-Kerr and the water surface is not controlled by a dam but is controlled by the elevation of the Mississippi River. The Little Rock District is conducting feasibility type studies to determine a solution to the low water problem that is occurring annually and getting worse each year. A draft feasibility report has been completed. We expect to recommend a plan which consists of a lock and dam, Montgomery Point, with bottom operated gates and a 600-by 110-ft lock chamber near the mouth of the White River. However, the priority of funding available from the Inland Waterway Trust Fund for this project has not been established.

Another piece of infrastructure that is currently receiving a lot of our attention is Beaver Lake in Benton, Carroll, Madison, and Washington Counties, Arkansas. Beaver Lake was completed in 1966 with project purposes: flood control, hydropower, and water supply. In recent years it has been found that the water quality of the lake is increasingly in violation of the National Primary Drinking Standards from problems due to high nutrient concentrations. In Public Law 101-101, Congress appropriated funds for this project and directed the Corps of Engineers to implement best management practices in the Beaver Lake Watershed and monitor the effects of these practices on water quality. This is scheduled to begin in February 1991 with project completion date of December 1996.

With regard to the Arkansas River Basin levees, notwithstanding their age, they stood up quite well to the recent flooding. Our recently completed study found, however, that local officials should rehabilitate and repair them to insure proper functioning in the future. The estimated cost of repairs is about $11 million.

The Southwestern Division has responsibility for 18 hydro-electric powerplants of which 7 are in the Little Rock District. This capacity and energy capability forms a vital part of the marketing agency's resources. Several of these units are over 30 years old with the newest plants approaching 20 years. We will continue to monitor these to ensure proper performance.

In summary, we have not solved all the water resource problems in Arkansas or the Southwestern Division. The spring floods of the last two years have demonstrated only too clearly that even with our dams and levees operating as designed, we must continue to examine the need and justification for flood control and other water resources projects, including those related to environmental and wetland resources.

Mr. Chairman, that concludes my statement. I would be pleased to address any questions you or other members of the Committee may have.

STATEMENT OF LEONARD L. GRIGGS, JR., ASSISTANT ADMINISTRATOR FOR AIRPORTS, FEDERAL AVIATION ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, CONCERNING AVIATION INFRASTRUCTURE IN NORTHWEST ARKANSAS. SEPTEMBER 8, 1990.

Mr. Chairman and Members of the Committee:

I am Len Griggs, FAA's Assistant Administrator for Airports. I am responsible for overseeing the FAA's airport grant program which provides airport development assistance to communities such as this throughout the Nation. I am pleased to have the opportunity to appear before you today to discuss the aviation infrastructure needs of northwest Arkansas.

The FAA's airport grant program, which is authorized by this Committee, has been a key factor in making available substantial assistance to airports throughout the country. Since the enactment of the Airport and Airway Improvement Act of 1982, we have issued nearly 10,000 grants for $8.98 Billion to help finance airport development and planning projects at our Nation's airports. This has included funding for land acquisition, runways, taxiways, aprons, safety and security equipment, noise mitigation, and terminal buildings. The largest portion of the program--51%--has been for pavement construction and reconstruction which adds to the safety and integrity of the airport system. Of course, safety and capacity enhancement are key objectives of the program with projects contributing to safety accounting for 39.5% of the total and capacity for 49.1%. The remaining amount--11.4%--has gone for planning and noise mitigation projects. For the current fiscal year, our grant program level is $1.425 Billion.

There remains a pressing need for a strong airport program today, particularly with the capacity problems our national aviation system is experiencing in many areas of the country. There is a clear need for significant capital improvements to increase capacity if we are to meet the growing demands of the traveling public.

Our National Plan of Integrated Airport Systems lists more than 3,200 current airports and over 400 proposed new airports with multi-billion dollar needs. Traditionally, state and local authorities have funded about 70% of airport development needs. Secretary Skinner's National Transportation Policy recognizes that a continued strong local presence in planning and financing airport development is critical. Additionally, we have supported and the House of Representatives has passed legislation that includes a Passenger Facility Charge which would provide local communities the option of charging airline passengers a modest fee to assist in financing local airport-related projects.

Aviation is a cornerstone of economic vitality in the United States, and this is certainly the case in Arkansas. Since 1982, through airport improvement program grants, a total of $90.6 Million has been approved for airports in Arkansas. Of this total, $39.4 Million was in entitlement funds; the remaining $51.2 Million was from discretionary funds made available to the FAA by the Congress.

Aviation--both air carrier and general aviation--is particularly important in northwest Arkansas, where the highway system requires time-consuming travel through small towns and, in some cases, mountainous terrain. It is clear that a modern, well-maintained system of airports is important to foster the timely and efficient transportation of people and goods through this region.

There are nine existing airports in northwest Arkansas. Two of these airports are primary airports with air carrier service; the remaining seven are general aviation facilities. Four of these airports have received more than $1 Million in airport grant funds from Fiscal Year 1982 through the end of August 1990: Fayetteville ($4.74 Million); Fort Smith ($6.32 Million); Rogers ($3.94 Million); and Springdale ($1.97 Million).

There are also a variety of ongoing and planned projects at the nine airports in northwest Arkansas. At Fayetteville, we have a multi-year grant (FY 89-91) of $1.25 Million for obstruction removal, safety area improvements, and an aircraft rescue and firefighting vehicle. We anticipate that the airport may be undertaking additional work in FY 91 for an extended safety area and a helipad, and an FY 92 project for taxiway and apron improvements. At Fort Smith, there is a multi-year grant (FY 90-92) of $1.7 Million for taxiway reconstruction and runway lighting. Bentonville has a current airport master plan underway under a $13,000 grant, and as a result of that study may initiate a runway extension project in the future.

At Berryville, we anticipate the airport may undertake a project in FY 92 to extend and widen the runway. We expect a forthcoming project at Harrison to expand the apron and strengthen the runway in FY 93-95. At Russellville, a planning study is anticipated in FY 92. We expect to see a project in FY 91 at Siloam Springs to reconstruct an apron and taxiway. And at Springdale, we anticipate an FY 92 project for land purchase and apron construction, and a project in FY 93-94 to reconstruct the runway and taxiway. Clearly, the aviation officials in this area are working hard to upgrade and modernize their facilities to better serve the traveling public.

Under our Facilities and Equipment Program, which is also authorized by this Committee, we have scheduled an ASR-9 airport surveillance radar for delivery to the Fayetteville area during

July 1992. This state-of-the-art radar will be located in the vicinity of the Fayetteville Airport and will be used to provide radar air traffic control services for those airports within approximately 40 miles of Fayetteville. Radar data will be remoted from Fayetteville to the Fort Smith Airport air traffic control tower.

In closing, Mr. Chairman and Members of the Committee, I want to stress that we in the FAA recognize the importance of a strong aviation infrastructure in areas such as northwest Arkansas. And we also recognize the important contributions that areas such as northwest Arkansas, in turn, make to our national air transportation system.

We in the aviation community have been truly fortunate to have key allies in the Congress who recognize these needs as well, and we have all profited from the firm leadership shown by this Committee in helping us attain critical resources to meet the needs of aviation here in Arkansas and throughout the Nation. You may be assured of our willingness to work with the aviation community here in Arkansas and with this Committee to assure that we continue to address the needs of aviation at the local and national levels as we head into the 21st century.

That completes my prepared statement, Mr. Chairman. I would be pleased to respond to any questions you may have at this time.

PREPARED SUBMISSION OF FRED DAVISON (PER MAX HALL)

STATE OF ARKANSAS
DEPARTMENT OF AERONAUTICS

BILL CLINTON
GOVERNOR

TOMMY R. HANCOCK
DIRECTOR

Fred Davison
Chairman
North Little Rock

Darryl Riddell
Vice Chairman
West Helena

Larry Schiffner
Fort Smith

Jim Hinkle
Mountain View

Dr. C.E. Ripley
Crossett

Steve Edwards
Marianna

James McLarty
Newport

September 4, 1990

The Honorable John Paul Hammerschmidt
424 Federal Building
Fayetteville, Arkansas 72701

Dear Congressman Hammerschmidt:

I am pleased to receive your invitation to participate in your Committee hearing on Saturday, September 8, 1990. There are twenty-two (22) Public Use Municipal Airports in the 3rd Congressional District. This includes four Commercial Service Airports. Eighteen (18) of the airports are in the National Plan of Integrated Airports Systems. There are five heliports at hospitals in the 3rd District.

Attached are portions of the Arkansas Airport System Plan which identify and project expected growth in the 3rd District to the year 2008. The 3 volume Systems Plan was prepared in 1988-89 for the Federal Aviation Administration and our Commission by the engineering firm of Barnard Dunkelberg and Company and Garver and Garver, Inc. The plan is a guide for aviation development in the State of Arkansas. Our airports will be linked closely with economic growth and development.

The following attachments show:

1. Planning districts composed of counties with generally common socioeconomic considerations.

2. Arkansas airports in the National Plan of Integrated Airports Systems.

3. Forecasts of general aviation operations at public use airports. Those in the 3rd District are identified by county. These projections are based on population growth trends, number of commercial air operations for passengers and freight, and general aviation needs.

4. A record of state funds provided to airports in the 3rd District over the past five years. These funds are derived from Sales Tax on aviation fuels and aviation related products. No funds are received from General Revenue.

ONE AIRPORT DRIVE — 3RD FLOOR, LITTLE ROCK, ARKANSAS 72202 — TELEPHONE (501) 376-6781

Page Two

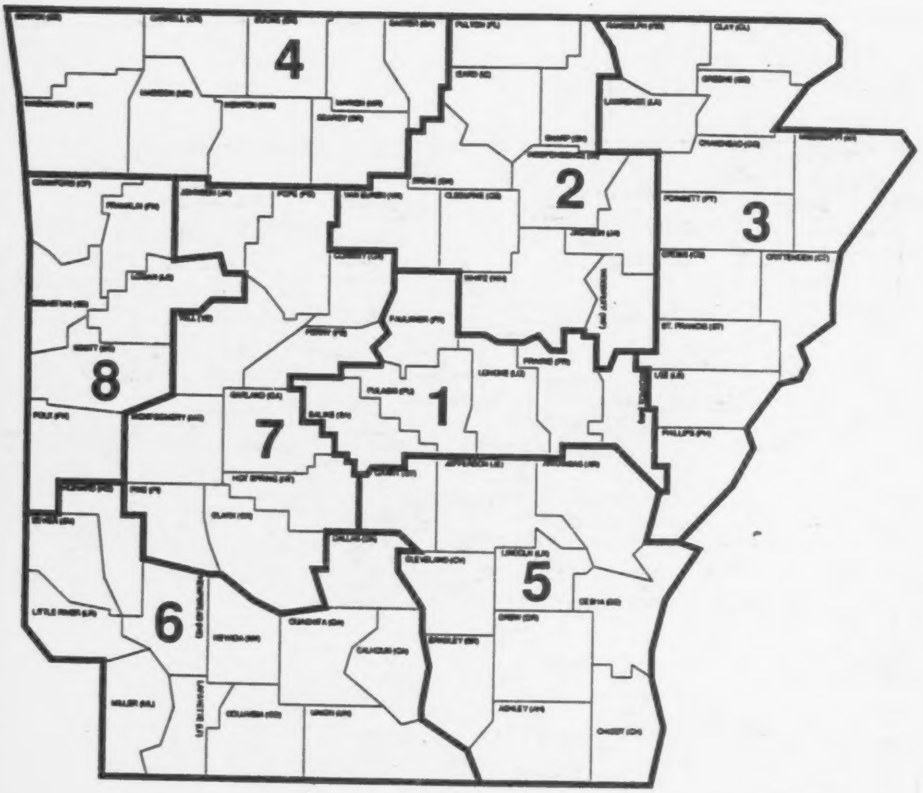
Problems: In general, the counties in north and west Arkansas are in far better shape in their local participation in airport development than most other areas of the state. The problem, common to all is funding. In order to relieve some smaller communities of cash burdens, the Arkansas Aeronautics Commission has accepted "payment in kind" - the use of local city and county road and other equipment, as qualifying on a 50-50 basis in lieu of cash payment. Terrain features in northwest Arkansas are also a problem in some communities when developing or improving an airport. A current example in the 3rd District of these problems is the development of an airport at Marshall in Searcy County.

Sincerely,

Fred Davison

Fred Davison, Chairman
Arkansas Aeronautics Commission

FD/cb
Attachments - 7



1 CAPDD (CAP) Central Arkansas Planning and Development District
2 WRPDD (WRP) White River Planning and Development District
3 EAPDD (EAP) Eastern Arkansas Planning and Development District
4 NWAPDD (NWA) North West Arkansas Planning and Development District
5 SEAPDD (SEA) South East Arkansas Planning and Development District
6 SWAPDD (SWA) South West Arkansas Planning and Development District
7 WCAPDD (WCA) West Central Arkansas Planning and Development District
8 WAPDD (WAP) Western Arkansas Planning and Development District

N

SCALE IN MILES 0 20 40 60 80

Figure A.2.1 ***Planning District Designation***

Arkansas Airport System Plan

Attachment 1

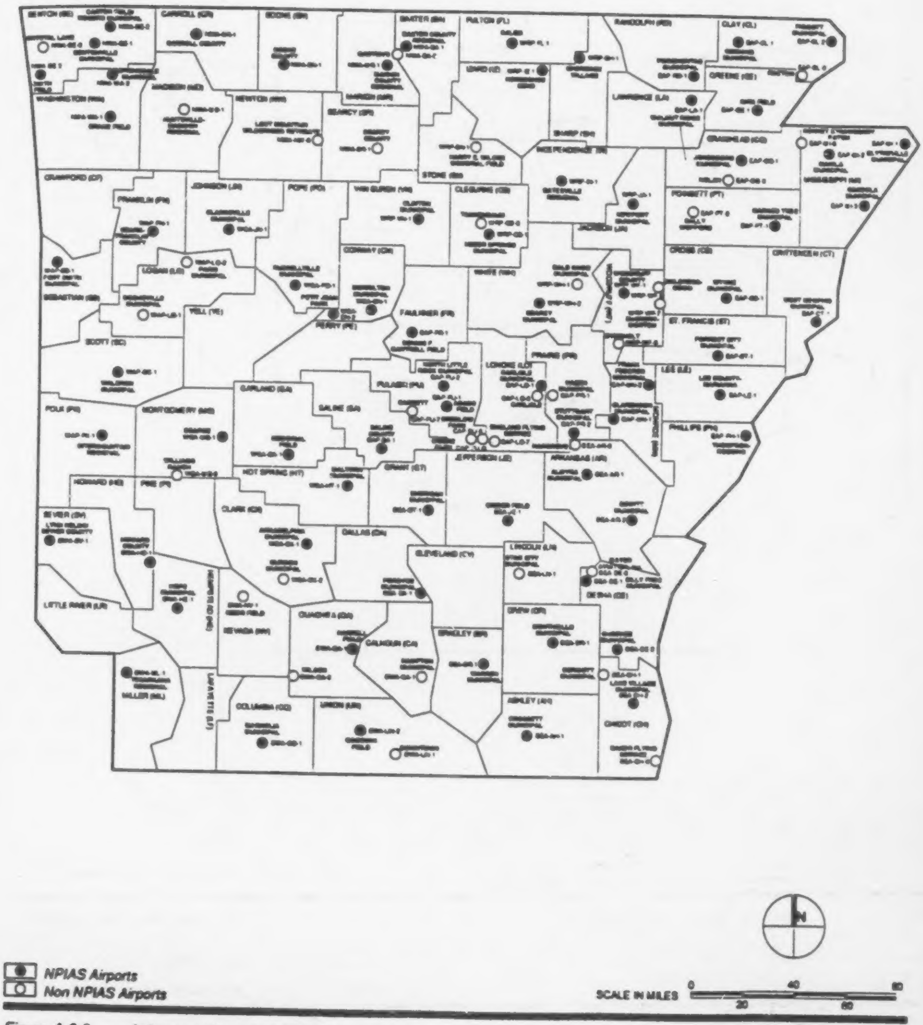

NPIAS Airports
Non NPIAS Airports
SCALE IN MILES
0
20
40
60
80
N

Figure A.3.2 **Arkansas Airports in the National Plan of Integrated Airport Systems**

Arkansas Airport System Plan

Attachment 2

Attachment 3

Table C.1.2.4

FORECAST GENERAL AVIATION OPERATIONS AT PUBLIC USE AIRPORTS IN DISTRICT FOUR/NWAPDD

Arkansas Airport System Plan

AASP Code No.	Airport Name	Existing Operations 1988			Short Range Operations 1993			Intermediate Range Operations 1998			Long Range Operations 2003			Long Range Operations 2008			% Change 1988-2008
		Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	
NWA-BA-1	Baxter County Regional	7000	10000	17,000	7,973	11,390	19,363	8,858	12,655	21,513	9,605	13,721	23,326	10,156	14,514	24,670	45.12%
NWA-BA-6	Gaston's	1,100	2,200	3,300	1,253	2,506	3,759	1,392	2,784	4,176	1,509	3,019	4,528	1,596	3,193	4,789	45.12%
TOTAL	Baxter County	8,100	12,200	20,306	9,226	13,896	23,122	10,250	15,439	25,689	11,114	16,740	27,854	11,752	17,707	29,459	45.12%
NWA-BE-1	Bentonville Municipal	18,500	11,500	30,000	21,047	13,083	34,130	23,358	14,520	37,878	25,297	15,725	41,022	26,719	16,615	43,334	44.45%
NWA-BE-2	Carter Field/Rogers Municipal	24,600	57,400	82,000	25,200	64,800	90,000	25,740	73,260	99,000	25,760	86,240	112,000	25,000	100,000	125,000	52.44%
NWA-BE-3	Smith Field	8,000	4,000	12,000	9,176	4,588	13,764	10,351	5,176	15,527	11,527	5,764	17,291	12,703	6,351	19,054	58.78%
NWA-BE-6	Crystal Lake	4,900	100	5,000	5,023	103	5,125	5,145	105	5,250	5,268	108	5,375	5,390	110	5,500	10.00%
TOTAL	Benton County	56,000	73,000	129,000	60,445	82,573	143,019	64,594	93,061	157,655	67,852	107,836	175,688	69,812	123,076	192,888	49.53%
NWA-BN-1	Boone County	4,400	8,000	12,400	4,989	9,071	14,060	5,520	10,036	15,556	5,958	10,833	16,791	6,274	11,411	17,685	42.62%
TOTAL	Boone County	4,400	8,000	12,400	4,989	9,071	14,060	5,520	10,036	15,556	5,958	10,833	16,791	6,274	11,411	17,685	42.62%
NWA-CR-1	Carroll County	1,400	2,600	4,000	4,000	6,000	10,000	6,400	9,600	16,000	8,400	12,600	21,000	10,000	15,000	25,000	525.00%
TOTAL	Carroll County	1,400	2,600	4,000	4,000	6,000	10,000	6,400	9,600	16,000	8,400	12,600	21,000	10,000	15,000	25,000	525.00%
NWA-MD-1	Huntsville-Madison Regional	500	200	700	564	226	790	621	249	870	667	267	934	699	280	979	39.86%
TOTAL	Madison County	500	200	700	564	226	790	621	249	870	667	267	934	699	280	979	39.86%
NWA-MR-1	Marion County Regional	12,000	17,820	29,820	13,682	20,318	34,000	15,215	22,595	37,810	16,514	24,524	41,038	17,477	25,963	43,440	45.67%
TOTAL	Marion County	12,000	17,820	29,820	13,682	20,318	34,000	15,215	22,595	37,810	16,514	24,524	41,038	17,477	25,963	43,440	45.67%
NWA-NW-6	National Wildlife, Inc.	0	150	150	0	170	170	0	188	188	0	203	203	0	214	214	42.67%
TOTAL	Newton County	0	150	150	0	170	170	0	188	188	0	203	203	0	214	214	42.67%
NWA-SR-1	Searcy County	100	200	300	113	225	338	124	247	371	133	265	398	139	277	416	38.67%
TOTAL	Searcy County	100	200	300	113	225	338	124	247	371	133	265	398	139	277	416	38.67%
NWA-WA-1	Drake Field	19,632	20,280	39,912	22,238	22,972	45,210	24,580	25,391	49,971	26,504	27,379	53,883	27,881	28,810	56,691	42.04%
NWA-WA-2	Springdale Municipal	20,000	40,000	60,000	22,655	45,309	67,964	25,041	50,081	75,122	27,001	54,001	81,002	28,403	56,825	85,228	42.05%
TOTAL	Washington County	39,632	60,280	99,912	44,893	68,281	113,174	49,621	75,472	125,093	53,505	81,380	134,885	56,284	85,635	141,919	42.04%
TOTAL	DISTRICT FOUR/NWAPDD	122,132	174,450	296,582	137,912	200,760	338,673	152,345	226,887	379,232	164,143	254,648	418,791	172,437	279,563	452,000	52.40%

✓

Attachment 4

Table C.1.2.6

FORECAST GENERAL AVIATION OPERATIONS AT PUBLIC USE AIRPORTS IN DISTRICT SIX/SWAPDD

Arkansas Airport System Plan

AASP Code No.	Airport Name	Existing Operations 1988			Short Range Operations 1993			Intermediate Range Operations 1998			Long Range Operations 2003			Long Range Operations 2008			% Change 1988-2008
		Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	
SWA-CA-1	Hampton Municipal	1000	100	1,100	1,123	112	1,235	1,231	123	1,354	1,316	132	1,448	1,373	138	1,511	37.36%
TOTAL	Calhoun County	1,000	100	1,100	1,123	112	1,235	1,231	123	1,354	1,316	132	1,448	1,373	138	1,511	37.36%
SWA-CO-1	Magnolia Municipal	10,000	9,000	19,000	11,148	10,033	21,181	12,132	10,918	23,050	12,874	11,586	24,460	13,334	11,999	25,333	33.33%
TOTAL	Columbia County	10,000	9,000	19,000	11,148	10,033	21,181	12,132	10,918	23,050	12,874	11,586	24,460	13,334	11,999	25,333	33.33%
SWA-DA-1	Fordyce Municipal	600	800	1,400	672	896	1,568	735	980	1,715	784	1,045	1,829	816	1,087	1,903	35.93%
TOTAL	Dallas County	600	800	1,400	672	896	1,568	735	980	1,715	784	1,045	1,829	816	1,087	1,903	35.93%
SWA-HE-1	Hope Municipal	7,000	6,000	13,000	7,927	6,795	14,722	8,760	7,509	16,269	9,443	8,095	17,538	9,931	8,513	18,444	41.88%
TOTAL	Hempstead County	7,000	6,000	13,000	7,927	6,795	14,722	8,760	7,509	16,269	9,443	8,095	17,538	9,931	8,513	18,444	41.88%
SWA-HD-1	Howard County	7,000	4,000	11,000	7,898	4,513	12,411	8,697	4,969	13,666	9,341	5,337	14,678	9,789	5,593	15,382	39.84%
✓ TOTAL	Howard County	7,000	4,000	11,000	7,898	4,513	12,411	8,697	4,969	13,666	9,341	5,337	14,678	9,789	5,593	15,382	39.84%
SWA-ML-1	Texarkana Regional	12,434	26,125	38,559	21,841	43,133	64,974	24,913	48,216	73,129	28,589	56,411	85,000	32,544	65,456	98,000	154.16%
TOTAL	Miller County	12,434	26,125	38,559	21,841	43,133	64,974	24,913	48,216	73,129	28,589	56,411	85,000	32,544	65,456	98,000	154.16%
SWA-NV-1	Kizer Field	800	840	1,640	899	944	1,843	986	1,035	2,021	1,055	1,107	2,162	1,101	1,156	2,257	37.62%
TOTAL	Nevada County	800	840	1,640	899	944	1,843	986	1,035	2,021	1,055	1,107	2,162	1,101	1,156	2,257	37.62%
SWA-OA-1	Harrell Field	4,000	8,000	12,000	4,527	9,054	13,581	4,999	9,999	14,998	5,386	10,772	16,158	5,661	11,321	16,982	41.51%
SWA-OA-6	Wilson	600	600	1,200	679	679	1,358	750	750	1,500	808	808	1,616	849	849	1,698	41.52%
TOTAL	Ouachita County	4,600	8,600	13,200	5,206	9,733	14,939	5,749	10,749	16,498	6,194	11,580	17,774	6,510	12,170	18,680	41.52%
SWA-SV-1	Lynn Helms/Sevier County	20,000	10,000	30,000	22,624	11,312	33,936	24,974	12,487	37,461	26,892	13,446	40,338	28,252	14,125	42,377	41.26%
✓ TOTAL	Sevier County	20,000	10,000	30,000	22,624	11,312	33,936	24,974	12,487	37,461	26,892	13,446	40,338	28,252	14,125	42,377	41.26%
SWA-UN-1	Downtown	13,000	13,500	26,500	14,567	15,127	29,695	15,934	16,547	32,481	16,997	17,651	34,647	17,694	18,373	36,067	36.10%
SWA-UN-2	Goodwin Field	10,000	3,000	13,000	11,206	3,362	14,567	12,257	3,677	15,934	13,074	3,922	16,997	13,610	4,083	17,693	36.10%
TOTAL	Union County	23,000	16,500	39,500	25,773	18,489	44,262	28,191	20,224	48,415	30,071	21,573	51,644	31,304	22,456	53,760	36.10%
TOTAL	DISTRICT SIX/SWAPDD	86,434	81,965	168,399	105,111	105,960	211,071	116,368	117,210	233,578	126,559	130,312	256,871	134,954	142,693	277,647	64.87%

Table C.1.2.7

FORECAST GENERAL AVIATION OPERATIONS AT PUBLIC USE AIRPORTS IN DISTRICT SEVEN/WCAPDD

Arkansas Airport System Plan

AASP		Existing Operations			Short Range Operations			Intermediate Range Operations			Long Range Operations			Long Range Operations			
		1988			1993			1998			2003			2008			% Change
Code No.	Airport Name	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	Local	Itinerant	Total	1988-2008
WCA-CK-1	Arkadelphia Municipal	15000	4800	19,800	16,834	5,387	22,222	18,442	5,902	24,343	19,702	6,305	26,007	20,541	6,574	27,115	36.95%
WCA-CK-2	Gurdon Municipal	1,200	1,100	2,300	1,347	1,235	2,581	1,475	1,352	2,828	1,576	1,445	3,021	1,643	1,507	3,150	36.95%
TOTAL	Clark County	16,200	5,900	22,100	18,181	6,622	24,803	19,917	7,254	27,171	21,278	7,750	29,028	22,184	8,081	30,265	36.95%
WCA-CN-1	Morrilton Municipal	12,000	1,200	13,200	13,520	1,352	14,872	14,867	1,487	16,353	15,944	1,594	17,539	16,686	1,669	18,355	39.05%
WCA-CN-2	Petit Jean Park	4,000	3,400	7,400	4,507	3,831	8,337	4,956	4,212	9,168	5,315	4,518	9,832	5,562	4,728	10,290	39.06%
TOTAL	Conway County	16,000	4,600	20,600	18,026	5,183	23,209	19,822	5,699	25,521	21,259	6,112	27,371	22,248	6,397	28,645	39.05%
WCA-GA-1	Memorial Field	12,000	43,200	55,000	13,580	48,663	62,243	14,997	53,741	68,738	16,156	57,894	74,050	16,980	60,856	77,836	41.52%
TOTAL	Garland County	12,000	43,000	55,000	13,580	48,663	62,243	14,997	53,741	68,738	16,156	57,894	74,050	16,980	60,856	77,836	41.52%
WCA-HT-1	Malvern Municipal	9,000	12,000	21,000	10,171	13,561	23,732	11,217	14,956	26,173	12,067	16,090	28,157	12,666	16,891	29,557	40.75%
TOTAL	Hot Spring County	9,000	12,000	21,000	10,171	13,561	23,732	11,217	14,956	26,173	12,067	16,090	28,157	12,666	16,891	29,557	40.75%
WCA-JN-1	Clarksville Municipal	5,000	1,200	6,200	5,658	1,358	7,916	6,248	1,500	7,748	6,730	1,616	8,346	7,073	1,699	8,772	41.48%
TOTAL	Johnson County	5,000	1,200	6,200	5,658	1,358	7,016	6,248	1,500	7,748	6,730	1,616	8,346	7,073	1,699	8,772	41.48%
WCA-MO-1	Bearce	4,000	2,300	6,300	4,529	2,605	7,134	5,005	2,878	7,883	5,393	3,103	8,496	5,674	3,263	8,937	41.85%
WCA-MO-6	Williams Ranch	20	7	27	23	8	31	25	9	34	27	9	36	28	10	38	41.85%
TOTAL	Montgomery County	4,020	2,307	6,327	4,552	2,613	7,165	5,030	2,887	7,917	5,422	3,112	8,534	5,702	3,273	8,975	41.85%
WCA-PO-1	Russellville Municipal	20,000	16,000	36,000	22,714	18,171	40,885	25,167	20,134	45,301	27,208	21,766	48,974	28,691	22,956	51,647	43.46%
TOTAL	Pope County	20,000	16,000	36,000	22,714	18,171	40,885	25,167	20,134	45,301	27,208	21,766	48,974	28,691	22,956	51,647	43.46%
TOTAL	DISTRICT SEVEN/WCAPDD	82,220	85,007	167,227	92,882	96,171	189,053	102,398	106,171	208,369	110,120	114,340	224,460	115,544	120,153	235,697	40.95%

Attachment 6

Table C.1.2.8

FORECAST GENERAL AVIATION OPERATIONS AT PUBLIC USE AIRPORTS IN DISTRICT EIGHT/WAPDD

Arkansas Airport System Plan

AASP Code No.	Airport Name	Existing Operations 1988 Local	Existing Operations 1988 Itinerant	Existing Operations 1988 Total	Short Range Operations 1993 Local	Short Range Operations 1993 Itinerant	Short Range Operations 1993 Total	Intermediate Range Operations 1998 Local	Intermediate Range Operations 1998 Itinerant	Intermediate Range Operations 1998 Total	Long Range Operations 2003 Local	Long Range Operations 2003 Itinerant	Long Range Operations 2003 Total	Long Range Operations 2008 Local	Long Range Operations 2008 Itinerant	Long Range Operations 2008 Total	% Change 1988-2008
WAP-FN-1	Ozark-Franklin County	4000	1500	5,500	4,531	1,699	6,230	5,008	1,878	6,886	5,400	2,025	7,425	5,680	2,131	7,811	42.02%
TOTAL	Franklin County	4,000	1,500	5,500	4,531	1,699	6,230	5,008	1,878	6,886	5,400	2,025	7,425	5,680	2,131	7,811	42.02%
WAP-LG-1	Booneville Municipal	3,000	1,000	4,000	3,387	1,129	4,516	3,732	1,244	4,976	4,011	1,337	5,348	4,206	1,403	5,609	40.23%
WAP-LG-2	Paris Municipal	300	1,200	1,500	339	1,355	1,694	373	1,493	1,866	401	1,605	2,006	421	1,683	2,104	40.26%
TOTAL	Logan County	3,300	2,200	5,500	3,726	2,484	6,210	4,105	2,737	6,842	4,412	2,942	7,354	4,627	3,086	7,713	40.24%
WAP-PK-1	Intermountain Regional	7,000	10,000	17,000	7,912	11,303	19,215	8,727	12,468	21,195	9,390	13,415	22,805	9,857	14,086	23,943	40.84%
TOTAL	Polk County	7,000	10,000	17,000	7,912	11,303	19,215	8,727	12,468	21,195	9,390	13,415	22,805	9,857	14,086	23,943	40.84%
WAP-SC-1	Waldron Municipal	5,000	1,500	6,500	5,631	1,689	7,320	6,189	1,856	8,045	6,635	1,990	8,625	6,941	2,082	9,023	38.82%
TOTAL	Scott County	5,000	1,500	6,500	5,631	1,689	7,320	6,189	1,856	8,045	6,635	1,990	8,625	6,941	2,082	9,023	38.82%
WAP-SB-1	Fort Smith Municipal	17,805	31,788	49,593	20,142	35,960	56,102	22,235	39,697	61,932	23,944	42,748	66,692	25,156	44,920	70,076	41.30%
TOTAL	Sebastian County	17,805	31,788	49,593	20,142	35,960	56,102	22,235	39,697	61,932	23,944	42,748	66,692	25,156	44,920	70,076	41.30%
TOTAL	DISTRICT EIGHT/WAPDD	37,105	46,988	84,093	41,942	53,135	95,077	46,264	58,636	104,900	49,781	63,120	112,901	52,261	66,305	118,566	40.99%

STATE FUNDS PROVIDED THIRD CONGRESSIONAL DISTRICT FROM 1985 TO 1990

COUNTY	CITY	FUNDS
BAXTER	MT. HOME	$ 97,970.33
MARION	FLIPPIN	$ 85,248.66
BOONE	HARRISON	$ 18,858.00
CARROLL	BERRYVILLE	$128,345.03
BENTON	ROGERS	$389,434.50
	BENTONVILLE	$ 17,023.68
	SILOAM SPRINGS	$ 52,600.11
WASHINGTON	SPRINGDALE	$372,068.90
	FAYETTEVILLE	$335,168.14
MADISON	HUNTSVILLE	$174,239.00
SEARCY	MARSHALL	$184,767.00
SEBASTIAN	FT. SMITH	$259,333.22
FRANKLIN	OZARK	$140,146.00
JOHNSON	CLARKSVILLE	$373,743.00
POPE	RUSSELLVILLE	$147,760.25
LOGAN	PARIS	$ 91,550.00
	BOONEVILLE	$ 57,600.00
SCOTT	WALDRON	$ 45,165.00
POLK	MENA	$197,555.13
MONTGOMERY	MT. IDA	$231,988.10
SEVIER	DeQUEEN	$ 33,355.00
HOWARD	NASHVILLE	$ 81,085.00
	TOTAL	$3,515,004.05

WASHINGTON COUNTY
STATE OF ARKANSAS
Washington County Courthouse
Fayetteville, Arkansas 72701
Telephone 521-8400

CHARLES A. JOHNSON
County Judge

Comments at Public Works and Transportation Committee

Springdale, Arkansas
September 8, 1990

Chairman Anderson, Congressman Hammerschmidt, and other members of the Public Works and Transportation Committee I want to thank you for conducting this meeting here in Northwest Arkansas and providing me and others an opportunity to comment on the infrastructure and public works needs which we face.

Northwest Arkansas is the fastest growing area in the State with Benton and Washington Counties ranking first and second in the percentage of growth since the 1980 census. In spite of the urbanization of the area, Washington and Benton Counties are ranked first and second in the dollar value of agricultural products produced in the State and Washington County recently ranked 41st among all counties in the nation in that category. Washington County is the nation's #1 poultry producing county, making it our largest industry with tourism ranking second. The result of this is that we have a rapidly growing area which places increasing burdens upon our public services and infrastructure. Our tax base is unable to generate the revenues needed to maintain existing infrastructure and to make necessary expansion to keep pace with this growth.

It is critically important to the area that we build a transportation network, develop water and waste water systems and solid waste disposal facilities to meet our expanding population growth. The point has been often made that Washington and Benton Counties is one of the most populated urban areas in the nation which is not connected by a 4-lane highway to the interstate system. One notices this more in this area because of the large trucking industry and the additional truck traffic generated by the poultry, swine and cattle industries. It is important that efforts continue to bring about the completion of Highway 71 from the Missouri border to Alma at the earliest possible date and to eventually tie it into the Interstate 49 system North and South. Also, the upgrading of U. S. 412 providing an important East/West link-up should proceed as rapidly as possible.

In addition to interstate-type routes, it is important not to overlook the need to maintain and upgrade our network of county roads and city streets which provide access to the interstate routes. Benton and Washington Counties rank first and second among the counties in the State in the number of miles of county roads. This fact alone presents us with a major challenge but is compounded by major traffic consisting of feed trucks, milk trucks, live-haul trucks and logging trucks, the weight of which often approach and exceed the 80,000-pound load limits. This requires that our roads and bridges be built to the highest standards to stand up under this kind of traffic. Washington County has 644 structures spanning water courses with 165 bridges of 20' in length or longer, 37 of which are either functionally obsolete or structurally deficient and in need of replacement. As you can see, we face a continuing struggle to maintain and upgrade our system of local roads and bridges and do everything possible to utilize methods and designs that will get the job done in the most cost-effective manner.

Perhaps the infrastructure need we have which could reach crisis proportions almost overnight is our means to dispose of solid waste which is generated in this area. The scenic mountainous area has its problems when it comes to disposal of solid waste. Our clear mountain streams and scenic rivers are limited in their capacity to absorb treated waste water and nutrients from agricultural run-off and landfill operations. The soil types in the area and fractured limestone formations underlying much of the area make it difficult to site landfills which can be operated in a manner safe to the environment.

Municipal solid waste generated in the 4-county region including Benton and Washington Counties stands at 482 tons per day in 1990 and is projected to increase to 600 tons by the year 2000 and 670 tons by the year 2010. Development of a solid waste management plan and cost projections are made more difficult because of the limbo we are in awaiting the adoption of final EPA regulations.

Current permitted landfill capacity in the area is less than two years. Plans for solid waste disposal including maximum recycling and waste stream reduction is anticipated to be extremely costly and may only be accomplished after considerable effort and some local opposition.

Another infrastructure problem in which we are encountering is the need to develop water systems to provide suitable drinking water to a rapidly growing rural population in Washington County. We recently received assistance from the Arkansas Industrial Development Commission, a state agency, and from the Farmer's Home Administration to put in water systems to serve nearly 1,200 households, many who were formerly served by wells that had become contaminated or had to haul water from springs which have become increasingly contaminated. As water lines are extended and our transportation network improved, we can anticipate increasing growth in our rural population which will in turn put additional demands on these systems.

We all realize the importance of economic development, job creation, and expanding employment rolls but this can only be done if we have a corresponding development and expansion of our infrastructure and public works system. Through good fortune we are blessed with a large number of entrepreneurs and innovators and people with the vision to bring about economic development and generate the kind of jobs necessary to support a high quality of life which we enjoy here in Northwest Arkansas.

We intend to do our part to address the infrastructure problems I have outlined and I am firmly convinced that by forming a partnership with the State of Arkansas and our federal government, we can properly maintain and expand our infrastructure as needed. It is unfortunate that our nation faces huge budget deficits and an enormous national debt. I appeal to the Committee to recognize the infrastructure needs here and across the United States, keeping in mind that increasing mandates to local governments without supplying the necessary financing creates considerable hardship. Any move to eliminate the deductibility of local taxes on federal income tax returns will only compound the problems we have locally in generating sufficient revenues to meet our infrastructure and public works needs.

The release of highway trust fund monies could help greatly and a formula for distributing federal highway funds including public transit funds more in line with what is generated by Arkansans would certainly be looked upon with great favor.

This concludes my comments and I again want to thank the Committee for this opportunity.

Respectfully submitted,

Charles A. Johnson

Charles A. Johnson
Washington County Judge

STATEMENT OF
THOMAS D. LARSON

FEDERAL HIGHWAY ADMINISTRATOR
U. S. DEPARTMENT OF TRANSPORTATION

HEARING BEFORE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

FIELD HEARING IN SPRINGDALE, ARKANSAS

September 8, 1990

Mr. Chairman and Members of the Committee:

Good morning. I am very pleased to be here today to discuss infrastructure needs and related issues pertaining to our nation's highways and bridges, and specifically to the State of Arkansas. The Federal Highway Administration (FHWA), as well as the Department of Transportation, has been examining infrastructure needs for several years and thoroughly reviewed the excellent final report of the National Council on Public Works Improvement which this Committee discussed in hearings in 1988. Since that report Secretary Skinner's National Transportation Policy deliberations have also examined infrastructure issues.

Our host Congressman John Paul Hammerschmidt stated in this Committee's May 1989 infrastructure hearing, "The development of infrastructure to support economic growth is crucial to the development of any area, and there is a legitimate role for the

Federal Government to play in ensuring that all regions of the country are able to utilize their resources, develop the necessary infrastructure, and learn to bring about their own expansion and development."

During development of the National Transportation Policy many participants in the Department's outreach process expressed concern about the state of repair of highways, bridges, and other facilities in the transportation system. As Americans have increased their reliance on highways for both passenger and goods movements, the highway infrastructure has deteriorated faster than originally anticipated. Transportation planners and engineers point out that much of the Nation's highway infrastructure, including pavement and bridges, is nearing the end of its economic service life and needs major rehabilitation or replacement. For example, according to Federal Highway Administration statistics, approximately two fifths of the Nation's 577,710 automotive bridges as being deficient.

Many of those who participated in the outreach process share the view that the condition of the transportation infrastructure has a direct effect on U.S. productivity. An economist with the Federal Reserve Bank of Chicago cited data suggesting that higher levels of investment in infrastructure of all kinds are associated with higher rates of productivity growth. He compared the United States to Japan, a country that has made large investments in infrastructure and has experienced high productivity growth. However, he and others cautioned that many other factors influence productivity and that more evidence is needed to understand when and how public and private infrastructure investment can help improve productivity on a national scale.

Americans recognize the value of the investment the Nation has made in transportation facilities, and the importance of getting the most from that investment before spending to create new capacity. Throughout America, people insist that we, as a first priority, maintain our vast transportation systems. They have ideas for methods their communities, transportation operators, and transportation users could make better use of the existing transportation system - for example, by using suburban parking lots for park-and-ride commuting, adopting flexible work-hour schedules, synchronizing traffic signals for more efficient traffic flow, improving transit schedules and encouraging greater transit ridership and giving preference to high-occupancy use of railroads. They have growing concern for the often negative environmental impacts of transportation, and they wonder about our seeming neglect of research and development in the face of exploding world technology.

Many participants in the outreach process stated their belief that the United States as a society has not given sufficient emphasis to our transportation infrastructure. Estimates of total future transportation investment are difficult to make since needs vary widely, depending particularly on the different assumptions underlying the projections, but all of them exceed current levels of spending. Those who participated in the outreach do not expect these needs, whatever their level, to be filled by a single, all purpose source; rather, a variety of public and private sources for financing transportation improvements were mentioned.

Allow me to briefly address factors affecting highway needs. Estimates of needs must consider travel trends, condition and performance of the highway plant, and current and projected spending on the Nation's highways.

Travel. Travel has returned to its historic pace following the decline resulting from the oil crisis of 1979. Total vehicle miles of travel (VMT) increased by 4.0 percent from 1988 to 1989. The annual growth in travel to the year 2005 is expected to be in the 2.0 percent to 3.0 percent range.

Condition. During the late 1970's and early 1980's, pavement conditions on our Nation's highways declined noticeably. This trend was reversed with the passage of the Surface Transportation Assistance Act of 1982. Pavement conditions improved dramatically on all systems in the years immediately following the passage of this Act. In recent years, such improvements have slowed, particularly on the higher systems. The most recent highway needs report shows that in 1987 a little over 11 per cent of Interstate pavements was rated as "poor." All other systems showed slight improvement for the same period.

Performance. Continued growth of travel is causing increased peak-hour congestion on the Nation's highways, particularly on Interstates and other arterial highways in urbanized areas. In urban areas, the per cent of travel under congested condition on the Interstate system increased from 61 per cent in 1985, to 65 per cent in 1987. Increased congestion was also reported on other arterials. The length of peak-period, or "rush hour" is becoming longer in most larger urban areas, and the number of urban areas experiencing congestion is increasing. Accident fatality rates for urban routes have decreased but not for rural arterials. The cost of highway travel has decreased by an estimated one per cent from 1985.

Finance. Total estimated spending for highways by all units of government exceeded $68 billion in 1988. Highway capital expenditures for all highway and bridges are estimated to be nearly $35 billion. The constant dollar growth in capital disbursements averaged almost 6 percent annually from 1982 to 1988.

The increase in real dollar investment in highways during the 1980's reversed the downward trend in pavement condition. This was due to the increase in Federal spending provided by the Surface Transportation Assistance Act of 1982 and the Surface Transportation and Uniform Relocation Assistance Act of 1987, and increased State and local government spending for highway improvements.

Highway Needs Assessments. The estimates of the current condition and needs on all non-local highways are based on a statistical sample of highways developed by FHWA and the States. (Estimates for local road conditions and needs are not included for lack of an adequate database.) Sample information includes physical and operation characteristics and investments. This information allows the FHWA to simulate overall conditions of the highway systems and in turn forecast physical condition and performance based on estimates of investments, travel, vehicle mix, and engineering standards and practice.

Monitoring highway conditions and performance is continuous, but assessment of needs is done biennially. The most recent report (June 1989) documents changes in highway conditions and capital requirements through the year 2005 to achieve varying levels of systems performance. Based on travel growth forecasts of 2 to 3 percent annually, FHWA estimates that a total of $606 to $703 billion in 1989 dollars will be needed over the period 1987 to 2005 if we are to eliminate all backlog and meet accruing needs on all non-local roads. This translates to an annual capitol investment of between $32.0 billion and $37.0 billion.

These estimates do not include the cost to complete the Interstate System, which was estimated at $16.3 billion in 1989. They also do not reflect the need to add certain additional capacity in urbanized areas outside existing right-of-ways to accommodate existing and anticipated future travel, estimated at 11,000 to 15,000 additional lane-miles of Interstate System, or their equivalent.

Periodically, the FHWA also surveys bridge conditions and estimates the cost of bridge needs. The latest survey of the Nation's 577,710 bridges classified approximately 238,357 bridges, some 41.2% as deficient (either structurally deficient or functionally obsolete). On the Federal-aid system, almost 77,192 bridges out of 274,583 bridges were classified as deficient, some 28.1% of the total. The estimated cost of eliminating all existing and future bridge deficiencies is $99.7 billion, or $5.3 billion annually. Estimated costs for Federal- aid system bridges alone is $77.1 billion (1989 dollars), or $4.1 billion annually to 2005.

Total annual highway and bridge investments on all non-local highway systems and all bridges, excluding the cost to complete the Interstate System, are shown below in billions of 1989 dollars:

	Current Spending	System Needs
Highways	16.1	32.40 to 37.0
Bridges	3.0	5.3
Total	19.1	38.3 to 42.3

To reiterate, these estimates are for total investment needs, not just for the Federal share. Additionally, these estimates do not include added urban capacity to meet current and anticipated travel demands where rights-of-way restrictions make traditional highway construction infeasible. It is estimated than an additional 11,000 to 15,000 lane miles of urban Interstate, or their equivalent, must be added above and beyond what is currently believed feasible, in order to accommodate existing and expected levels of travel demand. Non-construction measures, including demand management strategies and smart vehicle technology, among others, may be considered as a supplement to traditional highway construction to accommodate travel demands in highly congested urban areas, but these measures will not provide a total solution. This suggests that travel delay and congestion in urban areas could worsen in coming years as travel growth outpaces the provision of highway service. These levels of investment would result in an overall highway system that could be categorized as "good." These investments would improve overall 1985 physical and operating conditions, where possible, on the major highways, and improve conditions on the minor highways, and eliminate all bridge deficiencies.

The Committee asked that we specifically discuss Arkansas infrastructure problems and needs. Arkansas is among the first states to complete its Interstate system, opening their final Interstate segment in December 1982. The Interstate System in Arkansas totals 526.34 miles.

The Arkansas factor for the apportionment of Interstate construction funds has been zero since the 1983 Interstate Cost Estimate, as they have already completed their portion of the Interstate. Arkansas received $139 million in apportionments and $14 million in allocations in 1990. They still receive a minimum (1/2 percent) apportionment, which amounted to $13.5 million in FY 1991 (distributed on October 1, 1989). If these minimum funds are in excess of Interstate resurfacing, restoration, rehabilitation or reconstruction (I-4R) needs, they can be used on other Federal-aid systems. Additionally, Arkansas received $26.4 million in FY 1991 in I-4R funds (distributed on October 1, 1989).

With respect to the Bridge Program in Arkansas, of the State's 13,017 bridges, 5,821, or 45 per cent, are deficient. This is roughly comparable to the national average of 41 per cent bridge deficiencies. There are currently 5,271 bridges in Arkansas eligible for Federal Bridge Program funding.

With respect to "posting" data on Arkansas' bridges, in which the term "posting" represents a restriction on the use of a given bridge, of the State's 13,017 bridges, 4,557, or 35 per cent are closed, posted, or in need of posting. This is a bit below the national average of 27 per cent closed, posted, or in need of posting. However, with only 24 bridges closed in the State '0.0018%), Arkansas is over four times better the national average (0.0089%).

Policy Issues Affecting Needs. As we enter a new decade, the Nation must renew its commitment to maintaining its transportation system and infrastructure. The nation's economic vitality and quality of life depend on safe, efficient transportation for the movement of people and goods. Clearly, an investment in transportation is an investment in America's future.

We believe the National Transportation Policy provides a strategic framework for that national investment of time, of money, and of commitment. It shapes our thinking about the movement of passengers and goods in the 1990's and beyond. The

Policy uses a common sense approach of focusing our limited resources on systems of national significance and promoting national priorities, such as improving mobility and the efficient movement of goods, providing jobs, and improving the quality of life for all Americans.

Resources must be found to rebuild, improve and expand the transportation system. Reliance on the Federal Government to supply the majority of investment dollars is declining while the role of State and local governments and the private sector is increasing. The coming decade will likely see the forging of new partnerships recognizing the increased responsibilities and capabilities of public-private partnerships affecting mutual interests. The Secretary's National Transportation Policy recommends:

-- using the balance of the Highway Trust Fund in a fiscally responsible manner;

-- increased reliance on user fees and private sector involvement; and

-- greater State and local flexibility for program decision making.

As with the reauthorization for the Department's aviation programs, which we submitted to Congress this session, these principles will form the basis for our highway reauthorization proposal.

It is anticipated that the basic roles of the federal, state, and local governments will change to some degree in the post-interstate era. The most important change anticipated at the federal level is a reduction in the number of categorical programs and an emphasis on systems and projects of national interest. The states will continue to be the primary recipients of Federal-aid money, with some funds being passed through to local governments for their use at the states' discretion.

To help meet the needs we face, the National Transportation Policy urges greater flexibility for state and local governments to raise revenues -- for example, allowing greater use of toll financing for Federal-aid highways. We also want to stimulate private investment and to encourage joint public-private financing of facilities where appropriate. Accommodating increasing traffic demands and maintaining a reasonable performance level of the transportation system will require continuing and substantial infusions of private capital. In this context, we are considering expanding the ability to use private donations, including cash and right-of-way, for the State's share of a project; and allowing private toll roads to be eligible for Federal-aid funds, provided that such facilities could be incorporated into the Federal-State grant-in-aid process.

As our bottom line, we must ensure that there is a sound financial base to support our transportation system. The Federal government, in partnership with State and local governments, and the private sector, must see that the financial means are available to invest in America's future. While we seek to encourage a greater role on the part of the States, localities, and the private sector in the preservation and development of transportation infrastructure whose primary importance is statewide or regional, we do not propose any abandonment of the historic Federal support for transportation.

In closing, I would like to state that we are fully committed to work with Congress to address the needs of the nation's infrastructure in our forthcoming reauthorization legislation. We will continue to cooperate fully with this Committee toward this goal.

That concludes my prepared statement, I will be pleased to answer your questions at this time.

CITY of SPRINGDALE

ADMINISTRATION BUILDING
SPRING STREET
SPRINGDALE, ARKANSAS 72764
(501) 756-6200

OFFICE OF THE MAYOR
CHARLES N. McKINNEY

The Honorable Glenn M. Anderson, Chairman
Committee on Public Works and Transportation
U.S. House of Representatives

To give you a quick overview of Springdale - according to preliminary census figures we grew from 23,458 in 1980 to 29,989 in 1990. A 28% increase. Our unemployment rate is in the 3 - 4% range and we have a highly diversified industrial base in spite of inadequate roads and highways. We have an abundance of water from Beaver Lake, and we have just completed upgrading our waste water disposal facilities.

If we are to continue to grow and prosper the completion of Highway 71 from I-40 to the Missouri line is a must, and just as important is the improvement of Highway 412 from Springdale to the Oklahoma line.

Air transportation has improved over the years to this area, but a regional airport is certainly needed. Local airports would continue to provide their intended purpose. Installation of radar in this area should be a priority.

I have much concern that often times regulations do not seem to follow the intent of legislation.

I have problems with mandated programs without adequate funding; i.e., Clean Water Act, as it pertains to storm water treatment; solid waste disposal; Sub-chapter D; are examples.

Charles N McKinney
Charles N. McKinney
Mayor

Statement of
Jerry Mitchell
Area Conservationist
Soil Conservation Service
United States Department of Agriculture

before the
Committee on Public Works and Transportation
United States House of Representatives

Infrastructure Needs-Water Quality
September 8, 1990
Springdale, Arkansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

I am pleased to have the opportunity to testify before your committee to discuss water quality in the Ozark Region of Northwest Arkansas. The region has long been recognized for its beautiful mountains, high quality streams, rivers, and lakes. These features help make the area a top vacation spot and an attractive location for retirees as well.

This area is also recognized as the most rapidly growing region of our state, with much of the growth attributed to livestock and poultry industries. For some time Arkansas has led the nation in the production of broiler chickens and ranks near the top in numbers of swine, turkeys, eggs, and beef.

Because of many factors, the confined feeding operations associated with these animals are located in Northwest Arkansas. These operations offer a wide range of economic opportunities to the area and its agricultural producers, but they also present an increasing number of environmental and resource issues.

Much of the area is composed of rolling hills to mountainous terrain with steep slopes. This terrain produces rapid runoff that flows into high quality streams, rivers and lakes. The numerous water bodies that lie within the region provide water for domestic use, industrial supplies, recreation, and livestock.

The soils are predominantly shallow and are underlain by cavernous or fractured limestone which allows for the rapid downward movement of water into the underground acquifers. When animal wastes are not properly stored, altered in composition, removed from the production areas, applied to grassland, or utilized by forage plants, the movement of nutrients and organic materials into the groundwater can occur. This situation, in combination with the geologic features of the area, creates the potential for non-point source water pollution problems.

In order to maintain the stability of this region, insure continued growth of the area's industrial base, and assure the prosperity of the local agricultural producers, we must strive to achieve a balance between the economics of the livestock and poultry industry and environmental concerns associated with our water supplies.

While there are several sources of water quality degradation, correcting problems from agricultural operations is a high priority in USDA.

The problem is pervasive. Much of the drinking water for Northwest Arkansas comes from the lakes located along the White River. The Illinois River serves as a drinking water source in Oklahoma, and many private home water supply wells are located in shallow acquifers that are recharged by surface runoff. Some private domestic use wells are exceeding current Arkansas Health Department standards with respect to nitrates and the presence of fecal bacteria.

Tourism is affected also, since the Buffalo National River Park is a National Scenic River that draws approximately one million visitors annually. Other streams are just as noteworthy for their trout or bass fishing, and intrinsic recreational and aesthetic values.

Overall there are about six hundred miles of streams and rivers that have their designated uses impaired by deteriorated water quality. The resource professionals involved with water quality need to concentrate on the issues, the source of the problems, and the solutions.

The people involved with water quality in Northwest Arkansas represent many groups, governmental agencies, local entities, and industries. Despite the involvement of all these different groups, there is a unified state, federal and local effort in addressing the non-point pollution issue. The Corps of Engineers, Environmental Protection Agency (EPA), USDA agencies (particularly the Soil Conservation Service (SCS), Agricultural Stabilization Conservation Service (ASCS), and Cooperative Extension Service), along with various state and local agencies and the research efforts of the University of Arkansas, have joined with farmers to put forth programs that will reduce the non-point source water pollution coming from agricultural operations in the various watersheds.

The Beaver Lake Demonstration Project is an example of one of the programs. The Corps of Engineers will be working with EPA and SCS to implement best management practices on land where animal waste is applied. These practices will be a part of a management plan specifically designed for each producer to reduce the runoff of applied nutrients. This, in turn, will reduce both the amount of and the potential for non-point source pollution.

A second example of the cooperative effort is the Soil Conservation Service's work with bankers, livestock producers and local government officials in Carroll County to provide additional technical assistance to local farmers wanting plans showing them how to properly dispose of animal waste. These plans include application schedules, conservation practice design, and detailed soils information.

Other examples are the additional technical and financial assistance programs that ASCS, SCS and Cooperative Extension Service have provided using Special Agricultural Cost-Share programs and watershed hydrologic units. These USDA programs identify problem areas in small watersheds and then each agency works closely with the farmers helping them to plan and install best management measures that will prevent or reduce non-point source pollution. So far, over six hundred practices have been implemented in the participating four counties. Each of these programs are targeted for a three-to-five year period and are projected to reduce the non-point source pollution load from 40 to 50 percent in the streams of the Beaver Lake and Illinois River watersheds.

In addition, the SCS and other cooperating agencies have undertaken a two year study in the Illinois River Basin to identify problem areas and recommend solutions and alternatives to current situations. This study will be completed in 1991.

We must not forget that the economic stability of this region depends on livestock and poultry industries. Cash receipts from the marketing of livestock and poultry in Arkansas amounted to $2.565 billion dollars in 1989, with the bulk of this revenue produced in Northwest Arkansas. Four counties in Northwest Arkansas have ranked in or near the top ten in total dollars of agricultural products sold in Arkansas, with Washington County number one, and Benton County number two. Total agricultural output in Benton County was valued at $196,000,000 during 1989.

In a seven county area in Northwest Arkansas in 1989 there were 425,816,000 broiler chickens, 258,000 hogs, 410,100 beef cattle, 19,062,000 turkeys, and 24,000 dairy cows. A comparison of the growth in the livestock and poultry industry for this seven county area from 1979 to 1989 shows dramatic increases in overall production levels.

It is also evident when looking at the production figures, that animal wastes and their disposition are becoming increasingly important in the overall picture of agriculture in Northwest Arkansas. In excess of 16 million tons of manure and waste products are being generated each year in the region. These waste materials require approximately 400,000 acres of pastureland for the proper land application of the wastes, and thereby create additional challenges for producers, landowners, and industries alike.

A continuing partnership of all those involved in resource management will be needed to address and deal with the water quality issues and economic development needs of Northwest Arkansas. The Clean Water Act's Clean Lakes Program and 319 Program, the Water Resources Act, and USDA's water quality projects are all exceptional programs that can help to address the water quality issues facing Northwest Arkansas.

In addition, the state has a pollution abatement bond program that can help fund needed improvements in existing waste systems. Local officials, industry representatives, farmers, and government officials are cooperating and interacting with all of the available federal programs in an effort to address the challenges and opportunities being created within the water quality arena.

The participants are also evaluating new technologies, trying new types of conservation practices, and expending more research funds to develop viable solutions to the resource questions.

The problems found around Beaver Lake and its tributaries are spreading, and the Table Rock Lake Watershed is now experiencing many of the same problems. While many problems exist, I am confident that a sound balance between economic prosperity and environmental concerns can be achieved. Programs and technology are in place, or are being developed.

In time, they can effectively reduce the problems through good administration and cooperation.

Thank you again, Mr. Chairman, for the opportunity to discuss water quality in Northwest Arkansas.

STATEMENT TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

ANALYSIS OF MUNICIPAL INFRASTRUCTURE NEEDS
SPRINGDALE, ARKANSAS, SEPTEMBER 8, 1990

BY JERRY MONTGOMERY, MAYOR
CITY OF MENA, ARKANSAS

Mr. Chairman and members of the Committee, I'm Jerry Montgomery, Mayor of the City of Mena. Mena is located in west central Arkansas having a population of 5,500 with an estimated trade area of 25,000. On behalf of myself, the city council, and all the citizens of Mena, I sincerely express our gratitude for the opportunity to appear before this distinguished committee. I also want to express our appreciation to each of you for taking the time from your busy schedules to come to northwest Arkansas and listen to individuals, like myself, voice some of the problems of our region of the United States. It is indeed gratifying to see your interest and presence here today.

I will specifically address the four most important infrastructure needs that currently effect our city and region of the state economically: highways, airports, water and sewer supply and treatment, and solid waste disposal.

Mena is one of the growing cities of northwest Arkansas, as shown by the recently released preliminary census figures. Mena has grown by approximately 6% since 1980; even though, we are located 80 miles from the nearest interstate or improved four lane highway. The western side of Arkansas was excluded in the development of a four lane interstate program, and this has had an adverse effect on our industrial growth because of an inadequate transportation system through our region of the state. We strongly support the extension of Interstate 49, which is proposed from Shreveport, Louisiana to Kansas City, Missouri. The construction of this interstate will provide 11 mid-America states with a quality highway from the Gulf of Mexico to the Canadian border. Studies have show that the 11 states this highway will serve comprise over 22% of the nation's population, and this highway will fill a 500 mile void between I-35 and I-55 for north-south highway transportation.

We feel that it is imperative that the Federal Highway Trust Funds be kept intact and urge they be used for such highway improvements as Interstate 49 or an improved U.S. Highway 71. In our area of the state, tourism, which effects our local economy by creating thousands of jobs, is highly dependent upon quality highways; not to forget the transportation needs of such companies as Wal-Mart, J.B. Hunt trucking, and Tyson Foods.

Mena's Airport is among the busiest airports in the State of Arkansas, not in passenger traffic but in the service industry, as it relates to aircraft maintenance. We have a world wide reputation for quality and fast turn around in aircraft maintenance. The industries, located on the airport, employ just over 225 people with an annual payroll of approximately $2.5 million, having annual gross sales of 11 million (3 million is foreign sales); however, we are in extreme need of a new 6,000 foot east/west runway with an ILS system to accommodate not only the needs of the 12 existing companies, but the future needs of two large aircraft industries interested in locating at our airport. The economic development at the airport is limited by the lack of an adequate precision instrument runway. If built, in excess of 350 new jobs would be created which would significantly improve the economies of not only Polk County, but the surrounding counties comprising approximately 50,000 population. These new jobs with related services represent an economic impact of greater than $25 million annually. We are convinced, with our current lack of close access to a four lane highway system, that we must further develop the airport in our region of the state, if we are to grow economically and provide the quality jobs for our young high school and college graduates who now must leave our area to seek a better life. Again, we implore the Congress to keep the Airport Trust Funds intact and ask that these funds be used for such improvements as the needed expansion of airports for economic purposes.

With the assistance of EDA & FmHA, we recently completed a badly needed water system which saved approximately 250 jobs from being lost due to a lack of water. Presently, many of our cities, Mena included, are in need of making improvements to their waste water and antiquated sewer systems to come into compliance with Federal EPA regulations. Many of us are currently under a Federal Administrative Order to "Clean'em Up", as we all know, this takes large sums of money. Mena, like many cities in Arkansas, has been willing to tax themselves with a 1-cent city sales tax to accomplish many of these needs without asking for any grant assistance from the federal government. More recently, Mena and Polk County residents passed an additional county-wide 1-cent sales tax with the bulk of the City's share of these funds to be used for water and sewer improvements. However, it will be necessary to utilize the low interest loans made available by FmHA for these projects, as well as, grants that are currently available from state and federal sources. Therefore, we would encourage that loan and grant funds continue to be made available for these necessary improvements; not only to help create new jobs, but to save existing jobs.

Finally, most every city in this region of the state is facing the "real" problem of solid waste disposal. Mena is currently shipping it's waste (after recycling) to the nearest landfill located 80 miles away at a tremendous cost to our citizens, and the expense is becoming more costly by the day. We would respectfully ask that all consideration be given by the Congress to assist rural America in helping us in anyway possible to develop an acceptable environmentally safe solid waste program that we can afford.

I will sum up by saying that all existing federal funding for infrastructure programs must be kept intact. I sympathize with the plight of Congress in the reduction of the national debt and agree with the Graham-Ruddman Act enforcing a balanced budget to include a strong military posture, which is essential for the protection of our country; but we, as mayors, must continue to seek federal assistance for our local infrastructure needs.

In closing, I want to thank Congressman Hammerschmidt for the opportunity to appear before you and for bringing you to the most beautiful part of the State. I hope you enjoy your stay.

STATEMENT BEFORE

THE HOUSE PUBLIC WORKS & TRANSPORTATION COMMITTEE
INFRASTRUCTURE PUBLIC HEARING
SPRINGDALE, ARKANSAS

Relating To

AN OVERVIEW OF ARKANSAS' HIGHWAY INFRASTRUCTURE NEEDS

By

RAYMOND PRITCHETT
Chairman - Arkansas Highway Commission

September 8, 1990

AN OVERVIEW OF ARKANSAS' HIGHWAY INFRASTRUCTURE NEEDS

Arkansas is at a critical point in terms of highway transportation. The gap that exists between highway revenues available and the magnitude of needed highway improvements must be addressed.

A needs study nearing completion indicates that, due to higher traffic volumes, heavier loads, and its age, the highway system will experience rapid deterioration in the upcoming years. This is a major issue for a state which ranks first in the nation in the number of miles driven per vehicle. Briefly summarizing, the findings include:

- The utilization of the state's highways is increasing each year. However, because of increasing vehicle fuel efficiencies, revenues generated from the tax on fuel purchases - the Department's primary funding source - have remained relatively constant over the last ten years.
- Almost one-half of the State Highway Revenues are currently required to maintain the system. This will grow if the construction program is not increased.
- In evaluating the previous and current inventories of the condition of the highway system, it is apparent there has been deterioration in the overall pavement condition. A higher percentage of the state's roadways

are now in the poor category.

- An examination of the Department's current construction spending pattern and the expected deterioration of the highway system due to projected traffic volumes indicates that funding will not be sufficient to keep pace with deterioration over the next ten years.

While the Department has been able in the past to make progress on major corridors throughout the state, the study indicates that the ability to emphasize corridor-type improvements in the future will be curtailed by the need to preserve the overall highway system.

Nevertheless, we hear more and more from community leaders that adequate four-lane arterial highways are essential for continued economic expansion. Numerous studies by the Department and others have demonstrated the need for more four-lane routes in the state. These corridor improvements will not only allow expansion of existing industries, but will also attract new industries, create new employment, and stimulate rural trade growth which in turn will provide critically needed tax revenues that ensure funds for the health, education, and general welfare of the state. A good example is the need now being presented by the Northwest Arkansas Council for improvement in Northwest Arkansas.

Recognizing these benefits and having the ability to pursue them are unfortunately sometimes far apart. In terms of Federal-Aid Highway funds, Arkansas has traditionally been a "donor" state. The State is currently receiving only 72 cents in Federal-Aid Highway funds for each dollar that Arkansas motorists contribute into the highway trust fund in the form of Federal fuel taxes and other Federal Highway User fees. In addition, Arkansas contributed $14.5 million to the Mass Transit Trust Fund in 1988 and only received $600,000 back. The bottom line is that Arkansas sends approximately $73 million per year to Washington than is not returned. With ever-increasing highway and bridge needs, the State can no longer afford to heavily subsidize other states' programs.

In 1991, Congress will write legislation to continue Federal funding to improve our nation's highways and transit systems. It is imperative that a change in the allocation method be made during this legislative process.

Until a change is made, the law as now written further penalizes donor states when receiving additional Federal aid funds for needed projects. The penalty takes the form of reduced minimum allocation funds. The most recent example of this was the reduction in Arkansas' highway funds in an amount equal to emergency relief funds obtained as a result of flooding earlier this year. Special provisions in the legislation should be included so that any special funding will not take away from other projects now being readied for construction in Arkansas.

In addition, as long as the highway trust fund is kept "on-budget" and subject to the Gramm-Rudman-Hollings provisions, Federal aid funds are not a reliable source for essential highway improvements. It is estimated that Gramm-Rudman-Hollings may reduce Arkansas' funds by as much as $50 million in the upcoming fiscal year.

Another issue of concern to the state at this time is the possibility that many of the statewide corridors that have been identified for expansion may not be on the proposed National Highway System. The administration's proposal as it now stands will leave many of Arkansas' major routes off the National Highway System. This will cause the remaining major routes to compete for secondary-type federal funds or state funds that will be needed on the existing highways to prevent further deterioration. Since the size of the system and the distribution of funds are not tied together, each state should have flexibility in determining the National Highway System size.

We also believe that some emphasis should be placed on diesel fuel consumption in the apportionment formula. This would take into consideration the wear and tear of large concentrations of heavy trucks.

Some other issues of concern from our review of the highway reauthorization proposal and general comments are as follows:

- The proposal contains no mention of the split in funds between the National Highway System and the urban/rural system. We believe a 50-50 ratio would be appropriate with provisions for transferring up to 20%

between systems.

- The revised apportionment process for the bridge program based on level of service needs to be carefully examined. Traffic volumes alone should not be used. The current method based on square foot of need seems more appropriate. Also, the Federal share for this program should be 80% and not the variable rates as proposed.
- Any increase in motor fuel taxes should not be used for budget deficit reduction.
- The present weight and length limits for trucks should be retained.

With careful consideration by Congress of these major issues combined with efforts at the state level to provide additional funding, we believe a new highway program can be developed over the next few years that will expand services in both rural and urban areas and, at the same time, allow for reconstruction and resurfacing of existing routes. This program must be funded by both additional federal funds and additional state funds if the needs on our existing highways are to be met and the timely completion of improvements to major statewide corridors achieved.

Two such major corridors which will require significant investment for timely completion are U.S. 71 and U.S. 412 in northwest Arkansas.

HIGHWAY U.S. 71

The Arkansas Highway Commission has long recognized the need for providing improved access from I-40 north to the Fayetteville area.

Rapid growth and development in northwest Arkansas during the 1960's created excessive traffic demand on the arterial highway system. The Commission, in recognition of the need for improved highway facilities, authorized two studies which established the need for a north-south freeway or expressway to serve the inter-urban and regional traffic.

The **Northwest Arkansas Regional Transportation Study**, authorized by the Commission in 1968, was prepared in cooperation with the Northwest Arkansas Regional Planning Commission and the local jurisdictions in Benton and Washington Counties. This study documented the need for an additional north-south principal arterial in Benton and Washington Counties to meet future traffic needs. The **National Highway Functional Classification and Needs Study** in 1971 indicated the need for a principal arterial on new location connecting the Fort Smith-Van Buren urbanized area and the Fayetteville-Springdale-Rogers urban area and northerly to the Missouri Line.

Following up on the recommendations of these studies, the Commission, in 1971, authorized the Director to conduct a preliminary engineering study including aerial photography to determine the most feasible location for a new highway within the corridor on the basis of road user benefits, improvement costs, safety, stage construction and environmental impact.

In 1972, a study identified four alternate routes. Engineering studies to determine the most feasible route design were undertaken, and in early 1973, meetings were held in Van Buren and Fayetteville to discuss the various alternates. At Fayetteville, opposition for a highway on new location between I-40 and Fayetteville was voiced. In fact, no one spoke in favor of this type highway. Following this display of local opposition, work on the section of highway from Fayetteville south was suspended until 1983.

Since the traffic demands were considerably higher between Fayetteville and the Missouri Line and because this project would stand on its own merit regardless of what took place south of Fayetteville, the decision to divide the project into two phases was made, and work began in earnest on the northern segment. An Environmental Impact Statement was prepared in early 1976 and a public hearing to discuss alternate routes and design was held in Springdale in June, 1976. The project was subsequently approved, design work completed and construction began in 1981 with the first new location section from the Fayetteville bypass to Elm Springs Road.

Since then over $117 million (including Right-of-Way and Utilities) has been spent constructing this route, including work on the Fayetteville Bypass.

The Fayetteville-Springdale area is an urbanized area with over 50,000 population and one of the few urbanized areas in the United States which are not connected to the

Interstate System by a four-lane divided highway. In 1983 the Commission authorized the Director to seek special funding for connecting all urbanized areas to the Interstate System with four-lane divided highways. On October 31, 1983, the Director requested that the Federal Highway Administration designate of Highway 71 from I-40 at Fort Smith to the Missouri State Line as part of the Interstate System.

The Federal Highway Administration notified the Department on November 22, 1983, that the segment from I-40 at Fort Smith to Highway 71 Business route at the north terminus of the Bypass at Fayetteville would qualify for designation as an Interstate route when constructed to full Interstate standards. (Extension of the route to the Missouri State Line would only be warranted if it was possible to achieve a northern connection to the Interstate System in Missouri and the State of Missouri requested it.) Such designation did not create any additional federal funds for construction of the route. Also, the route must be constructed to meet all standards of an Interstate highway and shall be constructed within 12 years of the date of the agreement between the Secretary of Transportation and the State.

On March 9, 1984, Federal legislation permitted the use of Interstate reconstruction funds to construct highways designated as Interstate routes to Interstate standards. Consequently, the Commission targeted part of these funds to complete the construction of Highway 71 as an Interstate-type facility by 1995.

Since 1984, Environmental and location studies have been completed and work has begun on the section from I-40 to Fayetteville. Over $60 million has been spent for purchase of right-of-way, utility relocation, and roadway and bridge construction. Work is now underway from I-40 north approximately 7.3 miles and from Greenland to the Fayetteville Bypass (approximately 3.8 miles).

Current estimates are that an additional $180 million will be required to complete this work. Under present conditions, it will be difficult, if not impossible, to meet previously established schedules without significantly increased federal funding levels. Other Interstate reconstruction needs limit the amount of those funds that are available to this project and the $7.2 million annual Demonstration Project allocation will obviously not allow quick completion of this highway.

While the Senate Appropriations Committee's plan to increase by $10 million the 1991 allocation for this work is encouraging, the Highway Commission is also pursuing non-federal solutions to this problem. A private consultant has been retained to evaluate the feasibility of constructing several routes in Arkansas, including Highway 71, as toll roads. This study is now in the initial phases and should be completed by later this year. It's recommendations could have an impact on future construction schedules for Highway 71. Also the Commission is preparing a new highway funding proposal for presentation to the Arkansas Legislature in 1991. Unfortunately, the current unrest in the Middle East has caused the presentation of this program to be put on hold until the impact of this situation can be adequately assessed.

Arkansas' goal of completing Highway 71 has been clear from the 1960s through the 1987 endorsement of this section as part of the I-49 route stretching from Shreveport, Louisiana to Kansas City, Missouri. However, it is equally clear that additional funds, either federal or state, must be available to achieve this goal in a timely fashion. Any additional federal funds should be made available in such a manner that it will not take away from existing federal programs.

Another major corridor needed to serve rapidly developing northwest Arkansas is U.S. 412.

HIGHWAY U.S. 412

According to the preliminary census data, Benton and Washington Counties grew by 24.1 and 13.5 percent, respectively, between 1980 and 1990; the cities in this area grew at even faster rates. For example, the populations of Springdale and Bentonville both grew by more than 27 percent and Rogers enjoyed the second highest growth rate in the State with almost 40 percent growth during these ten years. Much of the growth in this area has been fueled by the opening or expansion of numerous industrial plants and by the corporate offices and the peripheral support businesses associated with the headquarters of such major concerns as Wal-Mart, Tyson and Jones Truck Lines. The educational opportunities offered at the University of Arkansas campus in Fayetteville along with the excellent quality of life in this area have also contributed to much of this growth. With all of the available evidence pointing to continuing rapid growth in this major metropolitan center, it is apparent that significant highway improvements will be required to meet regional transportation needs.

The immediate need in the Siloam Springs-Springdale corridor is to provide a partially access controlled, four-lane facility. Highway 412 is a principal arterial connecting the fast-growing Northwest Arkansas urbanized area with Tulsa, Oklahoma, and ultimately the major Interstate routes to the West such as I-44 and I-40.

Once the planned four-lane toll facility adjacent to U.S. 412 in Eastern Oklahoma is completed in late 1991, the segment of U.S. 412 between Springdale and Siloam Springs will be the last remaining two-lane link between the Northwest Arkansas urbanized area and Tulsa. To the East, U.S. 412 provides the only east/west arterial across Northern Arkansas, serving recreational areas, retirement communities, and the rich Delta farm land in Northeast Arkansas. It also crosses the Mississippi River on the only highway bridge between Memphis, Tennessee and Cairo, Illinois. Because of its strategic importance to the northern half of

Arkansas, the U.S. 412 route has been studied in great detail and the findings were reported in the 1988 publication entitled North Arkansas East/West Corridor Transportation Study. As a result of this study, many miles of widening improvements and additional climbing lanes are planned on the existing facility east of Springdale as funds become available. The immediate need for improvements to U.S. 412 between Springdale and Siloam Springs is demonstrated by the high average annual daily traffic (AADT) volumes, the geometric deficiencies of the existing highway, and the resulting high accident rates. The current AADT volumes along this route vary from 8,600 on the eastern end of this segment to about 6,000 near the center. Traffic volumes are expected to show substantial increases over the next twenty years with Year 2010 volumes in the 10,000 to 13,000 range with trucks comprising about one-fifth of the total traffic. This high traffic volume will cause serious safety problems and intolerable delays to motorists on the route.

The geometric deficiencies for this twenty mile segment have been analyzed and it was found that seventeen grades are in excess of the recommended range for this type of facility and terrain. Also, twelve sharp curves must be negotiated along this segment. The heavy traffic volumes, along with the slower moving trucks and the limited opportunities to pass result in poor and unsafe operating conditions.

The accident data for this route also points out the need for improvement. Two hundred and forty accidents have occurred on the segment during the last two years. A single one-mile segment in the last three years has had fifty accidents due to inadequate sight distances and sharp curves. Because of adjacent development and numerous residences along the poor existing alignment, very little can be done on this route to eliminate many of the highway safety deficiencies. Accident rates have averaged 3.63 accidents per million vehicle miles along this route which is more than twice the statewide average of 1.74 for two-lane rural highways.

Because of the documented need for this facility, the Arkansas Highway Commission has placed special emphasis on the upgrading of this twenty mile segment. By Minute Order 89-462, the Commission authorized surveys, plans and construction for a four-lane divided, partially access controlled facility located on new location. Although the priority of this route is well established, the fact remains that this project is estimated to cost $60 million and cannot be completed within an acceptable period of time with the limited funding resources available.

Recognizing the importance of this route and the funding limitations, Highway 412 was also included in the Department's toll road study. If it is not feasible to construct this route as a toll road, it may take the Department up to twenty years to complete the upgrading of this twenty mile segment because of the State's current limited funding resources--even though the need for this project is evident today.

SUMMARY

The future adequacy of Arkansas' Highway System depends on a joint State and Federal alliance. Arkansas must be removed from the "donor state" position and sufficient federal funds and federal system mileage must be available to support not only statewide corridors, but also the feeder routes that are so important to agricultural and industrial vitality.

Also, the current laws must be revised to prevent penalizing those states that are classified as "donor states" when receiving additional federal funds for emergencies or other special projects. In addition, the Highway Trust Funds must be removed from the budget balancing process.

With changes at the federal and state level and continued support throughout the state from groups such as the Northwest Arkansas Council, a progressive cooperative program for highways can be realized.

Statement by

James R. Rodgers

Airport Manager, Little Rock Regional Airport

before the

Committee on Public Works and Transportation

United States House of Representatives

September 8, 1990

#1 Airport Drive
L.R. Ark. 72202

Good morning ladies and gentlemen. I would like to thank you for inviting me to speak at your Committee hearing to comment on the future infrastructure needs of Arkansas, as they relate to airport development.

For many a visitor to Arkansas, the Airport delivers the first impression of our state. The Airport is one of the most visual and tangible links in reaching beyond our borders. The business traveler, the increasing number of convention goers, the "Natural State" vacationers are all impressed with what we have to offer. The presence of quality air transportation is a state attribute. But the Airport also serves as the backdrop for another thriving economic force.

Beyond the Airport, business leadership believes strongly that a growing Arkansas airline industry provides a catalyst for other opportunities that benefit the entire community and state. Our commitment to the future is evident with our long-term capital improvements to accommodate projected increases in air traffic. In the next year alone, almost 25 million dollars will be spent on improvement projects already under construction. Two of those projects will be the completion of a new 60 million dollar parallel runway that is expected to be operational in the spring of 1991 and the completion of a new 45 acres campus for our tennant British Aerospace in the summer of the same year.

But, our capital improvement plan doesn't stop there. We project our needs for the next ten years to be in excess of over 50 million dollars to meet the ever increasing demands that are placed on our facilities. New and expanded access roads will be needed, land will have to be acquired, maintenance of existing and construction of new runways, taxiways and air craft parking aprons will be required.

I believe that now is a particularly appropriate time to reflect on the commitments that must be made by the various entities involved with providing a strong and healthy environment essential for the continued growth of aviation.

The various entities that must provide total support are:

1. Federal Government: We must continue to see responsive as well as responsible legislation out of Washington, such as the most recently passed Reauthorization Bill which now includes Passenger Facility Charges. Nothing is more frustrating to those of us in the industry than to see a doubling of the number of people we serve (this has happened within the last ten years), experience strains on the system; both in the air and on the ground, know that funds are being collected and yet not made available to significantly reduce this ever increasing demand. The amounts approved in H.R.5170 for airports improvements, modernization of the airways system, research and development; and FAA's operations and maintenance is never enough, but they certainly are much more realistic and given the ability to assess PFC, they go a long way toward meeting the nation's need for increased aviation capacity.

The Federal Aviation Administration must also continue to be sensitive to the various needs of individual communities and how each need must address community concerns but also fit into strengthening the overall aviation system.

2. State Government: The state agencies interested in promoting aviation development must understand that it goes beyond just economic development for a given community. It also requires responsible legislation and dollars to construct, expand and maintain facilities. The right legislation can be fashioned into an extremely useful tool to help local cummunities become more attractive in encouraging new entrants into a market.

3. Local Governments and Authorities: The new voluntary charges and increase in appropriations (if approved) is the beginning of an opportunity to provide first class facilities for those living and visiting our communities. The traveling public deserves the best airways facilities system that we can provide.

The entities involved have made considerable progress in achieving this system, and it is in our power to further consolidate this progress. Thank you.

BENTON COUNTY.

STATE OF ARKANSAS
203 EAST CENTRAL • ROOM 201
BENTONVILLE, ARKANSAS 72712

BRUCE RUTHERFORD
COUNTY JUDGE

TELEPHONE
(501) 273-2781
(501) 273-9642

Honorable John Paul Hammerschmidt
and members of the Committee on
Public Works and Transportation:

A strong basic infrastructure is vital to the economic base of this area. As we all know, Northwest Arkansas is accelerating in the areas of agriculture/industry and recreation. Therefore, it is necessary for this state to provide sound highway systems and sturdy bridges to keep commerce rolling.

As most of you well know Northwest Arkansas is one of the fastest growing areas as shown by the 1990 census. This contributes to the increased needs for highways, bridges, rural water and solid waste disposal.

I feel there are two significant needs for 4 lane limited access highways in Northwest Arkansas. First, being U.S. Highway 412 between Siloam Springs and Tontitown. This would link U.S. 412 with the soon to be completed Cherokee Turnpike. I think the increased traffic on U.S. 412, an already dangerous hwy, will be shocking once the Cherokee Turnpike is completed Spring 1991. This will cause a tremendous bottle neck effect on Hwy. 412 at the Arkansas - Oklahoma State Line.

Such a project as this meets funding and programmatic criteria by the utilization of user fees, the improvement of hwy. safety, the relief of hwy. congestion, the provision of rural access and the development of an efficient intermodel link to the Port of Catoosa on the McClelland-Kerr Arkansas River Navigation System and the proposed NWA Reliever Airport.

Secondly, the rapid completion of Highway 71 to an interstate type Highway linking Interstate 40 and Interstate 44. This will enable us to connect with other commerce area. The accident and death rate on both Hwy. 71 and Hwy. 412 is already astonishing.

I would like you to consider supplementing annual funding by initiating legislation to spend down the hwy. trust fund balances. This would provide Arkansas additional funding which I feel we are entitled.

The burden of providing for the collection and disposal of America's solid waste is a pressing concern of local governments all over our area and the burden in growing.

While we agree solid waste must be disposed of in an environmentally safe and ecologically sound manner, the local governments need additional resources made available to help solve the current and future problems of solid waste disposal.

Because of our rapid growth and increased population with rural subdivisions there is an extreme need for rural water systems to insure safe water.

I want to take the opportunity to thank the Committee for asking me to participate in today's hearing. With the exchange of ideas and your interest in our community, we should sufficiently handle any situations that arises to link our growing area to the major arteries of the working world. We need to keep in mind that increased growth, adds to the stress of our current installation. We must work together to continue safely.

Respectfully yours,

Bruce Rutherford
Benton County Judge

ADDRESSING THE INFRASTRUCTURE CHALLENGES OF THE CITY OF ROGERS AND NORTHWEST ARKANSAS

A Presentation to the
Committee of Public Works and Transportation
One hundred first Congress
U. S. House of Representatives
Glenn M. Anderson, Chairman

September 8, 1990

John W. Sampier, Jr., Mayor
City of Rogers
300 W. Poplar
Rogers, Arkansas 72756
(501) 621-1117

An Overview of the City of Rogers, Arkansas

The City of Rogers is the 12th largest city in Arkansas with a population of some 25,000. Rogers has experienced a 39% increase in population growth since 1980..........the largest increase of any city in Northwest Arkansas. This phenomenal growth is due to the quality of life, plus the beauty of the area coupled with a diverse economy. Our economy is based on industries, tourism, retirees (over 17% of our population), and agriculture. Industrial expansions, or new industries have invested over $332 million dollars over the last three years with an increase of over 2,400 new jobs. The unemployment rate ranges between 3.00 and 3.8%.

Infrastructure Needs

Unlike many cities in Arkansas, our infrastructure problems center around providing adequate services for one of the most rapidly growing areas of the nation.

Our most pressing need concerns an inadequate highway and road system to keep pace with our growth. One intersection in Rogers has the highest traffic count in Arkansas outside the metropolitan Little Rock area.

Our highest priority need is direct access to four-lane, interstate standard highways. We must have rapid inter regional, interstate and intra state movement of our commerce if we are to continue to flourish and be competitive.

Most importantly, the safety of the motoring public is at stake. The sobering injury and death statistics on Hwy. 71 and Hwy. 412 are a disgrace.

The completion of U.S. Highway 71 to interstate standards from Alma, Arkansas to the Missouri line will give us badly needed access to our markets and our state capital in Little Rock. We are continually at a disadvantage in interacting with the seat of state government in our capital city because of the arduous and dangerous travel required on this antiquated two-lane highway through the Boston Mountains. This link with the envisioned Interstate 49 from Shreveport, Louisiana to Kansas City, Missouri is of national significance considering a north-south link from the Great Lakes to the Gulf of Mexico.

It is also imperative to realize our potential with Tulsa, Oklahoma and Northeast Oklahoma by the joining of the Cherokee Turnpike with a four-lane U.S. 412. The significance of this project is greatly increased when one realizes the inter-modal connection with the Port of Catoosa and Tulsa International Airport.

Only these two four-lane projects of national significance will address the current deplorable problems of motoring safety and highway congestion in Northwest Arkansas. Correspondingly, in meeting these critical human needs, adequate rural access will be achieved as well as finally providing decent commercial access to the rest of the state and nation.

Within the City of Rogers, we desperately need the continuation of the Urban Aid Highway and Urban Aid Street Program. Adequate funding must be provided to the Arkansas Highway and Transportation Department in order for the City of Rogers to seek their assistance in improving and expanding our inner city highways and Urban Aid Streets and bridges. Only through such a program can we hope to alleviate inner city congestion, improve motoring safety, and have adequate access to the Highway 71 four-lane mentioned above.

Due to the expansion of industry and residential development to the west, traffic on U.S. 62 and U.S. 71B comes to a virtual standstill during peak daytime hours. Specifically, U.S. 62 and U.S. 71B must be upgraded quickly to at least 4 lanes or our economy and quality of life will be irrevocably damaged.

Coupled with adequate streets and highways is adequate management of drainage. An engineering estimate in 1978 pointed out it would take $4.2 million dollars just to correct the drainage problems in Rogers at that time. We would respectfully request an increased national role in helping to meet these inner-city drainage and flooding problems, such as with the able assistance of the U.S. Army Corps of Engineers.

The '86 Amendments to the Safe Drinking Water Act, as well as the mandates of the Clean Water Act, are prudent national goals as outlined by Congress. However, we respectfully suggest an increased role of congressional oversight in the development of agency guidelines to meet these goals. Common sense and an understanding of our severely limited local resources to meet these mandates is badly needed.

Rogers is trying to utilize the Revolving Loan Program for Wastewater Improvements. We respectfully request that an increase in the Arkansas allotment for this program as well as a reduction in the mindless "red tape" required for the loans would speed up our ability to make wastewater infrastructure improvements as envisioned by Congress.

We simply do not have the local resources to meet ever-increasing federal mandates in so many areas and at the same time provide adequate roads, fire protection, police protection and other basic services, without help. The mandates proliferate without commensurate assistance to meet those mandates. We are proud of several local and regional partnerships that have allowed us to jointly meet some national mandates, but we must have a renewed partnership from the federal level if we are to survive.

Rogers is appreciative of the assistance of the Committee on Public Works and Transportation as well as the Federal Aviation Administration in the development of Carter Field as one of the finest and safest general aviation airports in the midwest. We are cognizant of the need and supportive of the request of many of our Northwest Arkansas citizens for a reliever airport. At the same time we urge the continued support and assistance of those local, general aviation airports so vital to our cities and towns.

The nation does not have a new generation of infrastructure technology ready for its people. At present, it does not even have the resources or commitment simply to maintain the existing infrastructure. But the economic future of our nation and our children depends upon today's public investment. We recognize and are grateful for these national hearings of the Committee on Public Works and Transportation to form a foundation whereby, together, we can rebuild our cities for our children and our future.

REMARKS FOR THE FIELD HEARING OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO BE HELD IN SPRINGDALE, ARKANSAS ON SEPTEMBER 8, 1990.

PREPARED BY RICHARD STARR, P.E., ENGINEER-MANAGER FOR BEAVER WATER DISTRICT LOCATED IN BENTON AND WASHINGTON COUNTIES, ARKANSAS.

I. WATER SUPPLY

INTRODUCTION

MY NAME IS RICHARD STARR P.E.. I AM THE ENGINEER-MANAGER OF BEAVER WATER DISTRICT. BEAVER WATER DISTRICT IS A NON PROFIT REVENUE FUNDED REGIONAL WATER DISTRICT PROVIDING POTABLE MUNICIPAL AND INDUSTRIAL WATER TO OVER 125,000 PEOPLE AND THE LARGEST CONCENTRATION OF FOOD PROCESSING INDUSTRIES IN ARKANSAS. THE DISTRICT WAS FORMED IN 1959 AND PURCHASED ALL OF THE MUNICIPAL AND INDUSTRIAL WATER IN BEAVER RESERVOIR, A CORPS OF ENGINEERS MULTIPURPOSE RESERVOIR LOCATED ON THE UPPER PART OF THE WHITE RIVER. WORKING WITH THE CORPS OF ENGINEERS AS A PARTNER, WE HAVE DEVELOPED AN OUTSTANDING WATER RESOURCE INTO THE ONLY PERMANENT LONG TERM RAW WATER SUPPLY IN THIS AREA. THROUGH SOUND PLANNING AND COOPERATION WE HAVE A HIGH QUALITY RAW WATER SOURCE ADEQUATE UNTIL THE MIDDLE OF THE 21ST CENTURY.

THE DISTRICT STARTED WITH AN IDEA AND HAS GROWN TO THE SECOND LARGEST WATER SYSTEM IN THE STATE OF ARKANSAS. WE ARE A GROWING AREA AND WATER HAS BEEN ONE OF THE KEYS TO THAT GROWTH. OUR WATER USAGE PROJECTIONS INDICATE THAT IN 20 YEARS WE WILL BE SERVING TWICE THE CURRENT NUMBER OF WATER USERS.

THANKS TO THIS AREA'S FAR SIGHTED PLANNING WE HAVE THE NECESSARY WATER RESOURCE INFRASTRUCTURE IN PLACE. NOW WE NEED TO DO TWO THINGS TO MEET THE GROWING WATER NEEDS OF THIS FINE REGION. THE FIRST IS TO BUILD IN A TIMELY MANNER THE TREATMENT FACILITIES, TRANSMISSION LINES AND STORAGE TANKS TO MEET THE PEAK DEMAND OF OUR WATER USERS. THE SECOND IS TO PROTECT THE WATER QUALITY IN BEAVER RESERVOIR SO THAT IT REMAINS A HIGH QUALITY RAW WATER SOURCE. THIS SECOND TASK WILL BE DIFFICULT BECAUSE OF THE LACK OF HIGH PRIORITY FOR THE PROTECTION OF DRINKING WATER SOURCES AMONG THE VARIOUS COMPETING INTERESTS AND THE GOVERNMENTAL AGENCIES.

TO ACCOMPLISH OUR TASKS WE NEED YOUR HELP AND SUPPORT IN THE FOLLOWING AREAS:

1. WE NEED LONG RANGE POLICIES THAT RECOGNIZE THE IMPORTANCE OF HIGH QUALITY RAW WATER SOURCES AND STOP THE USE OF THESE SELECT WATERS AS CONDUITS FOR TREATED AND UNTREATED WASTE.

2. WE NEED TO ENCOURAGE AND FUND PROGRAMS THAT REDUCE OR PREVENT THE IMPACT OF THE NON-POINT SOURCES OF POLLUTION LOCATED IN THE WATERSHEDS OF THESE SELECT RAW WATER SOURCES.

3. WE NEED POLICIES AND FUNDING THAT ENCOURAGE THE REGIONALIZATION OF WATER SUPPLY SYSTEMS BOTH IN FACILITIES AND IN OPERATIONS.

4. WE NEED REVISIONS TO THE 1986 TAX LAWS TO REMOVE THE PROVISIONS WHICH CAUSE HARDSHIPS ON FUNDING EFFORTS FOR CAPITAL IMPROVEMENTS WITH TAX EXEMPT MUNICIPAL BONDS.

5. WE NEED POLICIES THAT ENCOURAGE CONSERVATION IN THE USE OF WATER.

ABOVE ALL, WE NEED TO REALIZE THAT WE HAVE LIMITED AVAILABLE RESOURCES TO REBUILD AND EXPAND OUR INFRASTRUCTURE. THEREFORE, IT BECOMES IMPERATIVE THAT ALL FEDERAL, STATE, AND LOCAL PARTIES COOPERATE TO INSURE THAT WE GET THE MOST POSITIVE RETURN FOR EACH UNIT OF RESOURCES COMMITTED.

CLOSING

AN ADEQUATE SUPPLY OF PURE DRINKING WATER FOR HOME AND INDUSTRY IS NECESSARY FOR THIS OR ANY OTHER AREA TO GROW AND PROSPER. IT IS ONE OF THE VERY BASIC FOUNDATION BLOCKS OF OUR INFRASTRUCTURE. WE NEED TO INVEST A PART OF THIS NATION'S RESOURCES IN MEETING THIS NEED. THE TASK WILL BE MUCH EASIER AND REQUIRE FEWER RESOURCES IF WE DEAL WITH THE NEED BEFORE IT BECOMES A CRISIS.

STATEMENT FOR THE FIELD HEARING
OF THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SPRINGDALE, ARKANSAS
SEPTEMBER 8, 1990

Presented by:
Richard Starr, P.E.
Engineer-Manager
Beaver Water District

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Statement for the Field Hearing of the Committee on Public Works and Transportation to be held in Springdale, Arkansas on September 8, 1990.

Prepared by Richard Starr. P.E., Engineer-Manager for Beaver Water District located in Benton and Washington Counties, Arkansas.

I. WATER SUPPLY SYSTEMS OF NORTHWEST ARKANSAS

A. Introduction

My name is Richard Starr, P.E.. I am Engineer-Manager of Beaver Water District. Beaver Water District is a non profit revenue funded regional water district providing potable municipal and industrial water to over 125,000 people and the largest concentration of food processing industries in Arkansas. The district was formed in 1959 and purchased all of the municipal and industriel water in Beaver Reservoir, a Corps of Engineers multipurpose reservoir located on the upper part of the White River. Working with the Corps of Engineers as a partner, we have proceeded from securing funding to completion of the only permanent long term raw water supply in this area. Beaver Water District started serving customers with potable water in 1966 through a 10 million gallon day treatment plant and has grown through two expansions to a facility which will produce 50 million gallons per day. We currently have a 40 million gallon per day expansion under design. We are a growing area and water has been one of the keys to that growth.

B. Importance of Water

The Committee on Public Works and Transportation will deal with a broad range of public works projects, but an adequate supply of safe pure drinking water for home and industry is the most critical and fundamental of all of the public works areas. The health and welfare of our people depend on water. The economic well being of our industries depends on water. Our strong poultry industry that feeds this nation and a large part of the world could not exist without our water. Without water you have nothing.

C. Priority of Water Supply at the Federal Level

Even though an adequate supply of safe, pure drinking water is the most critical and fundamental need in the public works area, it has a very low priority among the Federal Government Agencies and in Congress. There appear to be two major reasons for this.

The first is the crisis mode of operation by the government which is reinforced by the media. Two graphic examples come to mind. The first example is the Clean Water Acts of the 1970's and the creation of the Environmental Protection Agency which were developed in the setting of rivers so polluted that they caught on fire. This was a real crisis with millions of dollars spent successfully improving water quality. The second example is the disposal of hazardous waste and the Love Canal Site in New York, which helped bring about the passage of the Hazardous Waste Acts of the 1980's. This too is a real problem and we have spent millions of tax dollars working toward solutions. The jury is still out as to how well we have done.

The second major reason is that at the turn of the century the water industry started providing treatment and disinfection to water supplies that needed treatment. This effort eliminated the major threat of water borne disease in the United States.

The water industry has done a good job and has avoided a crisis. We have managed to stay ahead of the population growth and changing life styles, which adversely impact many of our raw water sources, through planning and sound engineering. While our water systems are acceptable today, the picture is changing.

D. The Changing Picture

The United States is continuing to gain in population and to increase in its per capita consumption of water. This is placing ever increasing demands on a limited supply of high quality raw water. As a nation, we further reduce the availability of this water supply by random dumping of our treated municipal and industrial waste into our raw water supplies with little or no thought to the impact on our current and future drinking water supplies. We are assured by the regulatory agencies that the waste is well treated and there is no problem with recycling treated wastewater into drinking water. This concept is from an agency created in a moment of crisis to deal with water pollution, and whose thinking is still dominated by a wastewater bias. Yet, in the face of this assurance, we see the passage by Congress of the 1986 Safe Drinking Water Amendments, which totally change conventional thinking on water treatment. The setting of these new regulations indicate that all is not well with the concept of putting treated waste into your raw water. These new regulations are forcing the industry into more complicated treatment schemes and making existing water plants, which currently produce safe water, obsolete by setting new and more stringent requirements on water treatment. Non-point source pollutants from agriculture, clear cutting, and urban runoff are adding to the degradation of the raw water sources. If you add to the above the fact that many water treatment facilities truly need to up grade their treatment processes because of raw water degradation, many facilities need increased capacity, many facilities are reaching the end of their useful life, then you set the stage for a situation that will cause the water industry to be unable to meet the challenge with its own resources as it has in the past.

E. What are the Needs

- We need to identify the existing high quality raw water sources that are being used for water supplies and protect them. It is much simpler to not put pollutants into the water in the first place, than it is to remove them by treatment. We need a program of water resource management that recognizes the importance of drinking water supplies and acts to protect them.

- We need to encourage and fund the programs that reduce the impact of the non-point sources of pollution located in the watersheds of water supplies.
- We need policies which encourage the regionalization of water supply systems both in facilities and in operations. This will encourage the use of the best water sources and maximize the utilization of existing trained personnel.
- We need funding to assist in the regionalization of water systems to serve the areas of real need and provide for the growth in this area. We need to invest in our infrastructure for our benefit and our children's benefit.
- We need to rethink how we develop drinking water regulations to determine if we are truly protecting public health. We have used the Delaney Amendment and other tools to set maximum contaminant levels which may be unrealistic. This may cause us to expend our limited resources meeting regulations which have no positive benefit.
- We need to place a higher priority on the funding of Federal and State Agencies' drinking water programs so that they are not limited to enforcement activity.
- We need policies that encourage and fund, through the State Health Departments, training programs to upgrade the personnel in the water industry to prepare them to meet the new technical demands of the 1990's.
- We need revision of the 1986 Tax Laws which cause hardships on the funding of capital improvements with tax exempt bonds.
- We need policies that encourage conservation in the use of water.
- Above all, we need to realize that, at this point in our Nation's history, we have limited available resources to rebuild and improve the infrastructure. Therefore, it is imperative that all Federal, State and Local parties cooperate to insure that we get the most positive return for each unit of resources committed. We must do this to grow and remain competitive in a world economy.

F. Conclusion

An adequate supply of pure drinking water for home and industry is necessary for this or any other area to grow and prosper. It is one of the very basic foundation blocks of our infrastructure. We need to invest a part of this nation's resources in meeting this need. The task will be much easier and require fewer resources if we deal with the need before it becomes a crisis.

II. WASTEWATER SYSTEMS OF NORTHWEST ARKANSAS

A. The 1980's: A Decade Committed to Improving Water Quality

1. During the 1980's, cities in Northwest Arkansas were committed to protection of the region's delicate environment. This commitment is evident by the capital investment of approximately 100 million dollars in local and federal funds to construct and upgrade wastewater treatment facilities in the Cities of Rogers, Bentonville, Fayetteville, Springdale, and Siloam Springs.

2. These municipal facilities have been upgraded to secondary treatment standards and most have advanced biological processes to remove ammonia and phosphorus. dechlorination and reaeration facilities have been provided to protect aquatic life and downstream water supplies.

3. Sewer service has been extended to nearby towns, providing a regional approach allowing smaller communities to benefit from the economy of scale for treatment costs and assures that a higher degree of operator skills are available in treating their wastewaters.

4. Improved water quality in receiving streams and lakes has been attained by virtue of this commitment to operate advanced treatment facilities.

5. User fees have, in some instances, tripled during the 1980's to provide the necessary revenue for construction, operation, maintenance, and replacement of wastewater treatment facilities.

B. The 1990's: A Decade With a Challenging Future

1. The focus of water pollution control efforts to date has been on the construction and upgrading of wastewater treatment facilities. The issues that must be addressed in the years ahead have much more elusive solutions.

2. The wastewater issue, which is critical to continued growth and development in Northwest Arkansas, is a ruling by the 10th U.S. Circuit Court of Appeals blocking the City of Fayetteville from discharging part of its treated effluent into the Illinois River basin. The Environmental Protection Agency had previously approved a split-flow discharge permit for the City of Fayetteville allowing a portion of the effluent to be discharged into a tributary that flows into the Illinois River. The Court has taken the position that a downstream state (Oklahoma) can block the issuance of a discharge permit in an upstream state (Arkansas), even in circumstances where the discharge will not have a detectable impact on the downstream state's water quality. This decision could also affect the Cities of Springdale, Rogers, Siloam Springs, Lincoln, and Prairie Grove. Each municipality

has been issued an NPDES permit, based on Arkansas water quality standards, to discharge treated effluent into a tributary of the Illinois River. The Court's decision will not only curtail growth and development in Northwest Arkansas, but it could have serious adverse implications for the national clean water program. It is ironic that wastewater treatment plants constructed to comply with the Clean Water Act could be denied future discharge permits under that same Act.

Legislation is clearly needed to identify the EPA's authority to determine water quality standards in each state.

C. Continued growth and economic development in Northwest Arkansas will require more emphasis on sewer collection systems. This vital part of the infrastructure will require large sums of revenue for expansion, replacement, and rehabilitation.

1. Growth areas will require extension of new sewer mains and the construction of costly pump stations to transport sewage over the hilly terrain commonly found in the region.
2. Additional line capacity will be needed in existing interceptor sewers to transport flows to treatment plants.
3. Rehabilitation of older sewers is needed to mitigate infiltration and inflow of extraneous water during rainfall events, to improve customer service, and to extend the useful life and efficiency of existing facilities.
4. The transition from the Federal Construction Grants Program to the State Revolving Fund Program will require cities to find alternate sources of revenue to retire debt service on state loans secured for sewer collection systems.

D. The land application of liquid sludge on agricultural land has proven to be the most cost effective alternative for the disposal of sludge generated at treatment facilities in Northwest Arkansas. Although the EPA supports the beneficial reuse of sewage sludge, the agency's proposed regulations for sludge disposal are so extraordinarily limiting that they essentially destroy land application as a possible sludge management alternative. Local officials support any effort on the part of EPA to gather comments from scientific groups and industry practitioners for the purpose of revising proposed sludge regulations. If peer review can be included in the process, it is likely that regulations which promote beneficial use of sludge, while protecting the public health and the environment, can be promulgated in an expeditious manner.

1. Disposal methods employing monofills, landfills, and incineration are not economically feasible in Northwest Arkansas. Similar alternatives proposed for the disposal of solid waste have met stiff opposition from the public.
2. Low application rates of sludge are based on the nutrient require-

ments of pasture grasses in the area, principally nitrogen. Because of this, nitrate accumulation in plants and nitrate contamination of groundwater is not a hazard with this disposal method.

3. Faced with the need for new sludge facilities, cities have been forced to spend several million dollars for sludge projects that might very well be regulated into obsolescence.

E. In summary, we find as many of the same things affecting the wastewater side of the equation as we find affecting the drinking water side. Increasing populations, old systems that need repairs, limited resources, lack of coordination between agencies, competition for the same basket of resources, the need for regionalization, all of which point to the need for this nation to find the will and resources to rebuild and expand our infrastructure.

I would like to express my personal appreciation to the Committee on Public Works and Transportation for the opportunity to share our concerns about the infrastructure of Northwest Arkansas and our nation, as well as the future needs we see for water and wastewater systems nationwide.

Tyson

Tyson Foods, Inc. 2210 Oaklawn Drive • P.O. Box 2020 • Springdale, AR 72765-2020 • (501) 756-4000

September 4, 1990

Committee on Public Works and Transportation
U.S. House of Representatives

Chairman Anderson and Distinguished Members:

Thank you for giving of your time to hear the future needs of infrastructure problems in Northwest Arkansas.

In 1963, when our company became a public company, it employed approximately 500 persons and had assets of almost five million dollars. Our processing plant had the capacity to kill 6,000 birds per hour and we were killing almost 13 million chickens a year.

Today, we employ 44,000 people and we utilize assets in excess of two and one half billion dollars. We have approximately 10,000 contract growers and their families living on family farms depending on us for their livelihood, and we kill 650,000 birds an hour.

Any way you measure the growth of our business in the last 27 years, it has increased in size by several hundred times.

Our company is headquartered in Springdale, Arkansas, and while it operates in many states, a large portion of its product moves over the same two lane highways of U.S. Highway 71 and U.S. Highway 68, which are in more or less the same condition they were 26 years ago.

We now operate 600 long haul over-the-road tractors, which haul our product. This represents only one third of the trucking fleet moving our product, as the other two thirds of our product is moved by common carrier. In addition, our live haul trucks and feed trucks number in the hundreds. TDC in Rogers, one of our major distribution centers, receives a hundred truckloads of product a day and runs 24 hours a day. We use one billion two hundred fifty million tons of soy meal a year and much of it moves to our feed mills in trucks.

Our growth has been paralleled by many other poultry companies in Northwest Arkansas, Georges, Hudson's, Peterson's, and Simmons, all of whom have grown many, many times in size and who employee thousands and thousands of people and ship thousands and thousands of shipments over these same two lane highways.

Feeding you like family.™

I know of no other industry that has grown at that rate which does not have direct access to a four lane interstate highway.

More importantly than the choaking of our roads is the safety of the roads for our people, as the highways in and out of Northwest Arkansas are some of the more dangerous highways in the country in terms of accident rates and number of fatalities.

Direct access to four lane international highways in Northwest Arkansas would up the productivity of the many poultry firms located here, as well as their affiliated industries. It would increase our ability to be competitive in the world market. We export many hundreds of millions of pounds of product a year, which we believe have helped our national trade deficit. We are a net exporter. The areas in which we employee people have very low employment rates. We believe we are doing our share toward national priorities. From the heartland of America, a little help from the government in matching the infrastructure to our efforts would be most welcome, most appreciated, and I assure you that it would be highly utilized.

Sincerely,

Don Tyson
Chairman & Chief
Executive Officer

DT/sm

STATEMENT OF
HONORABLE FRED VORSANGER
VICE MAYOR OF FAYETTEVILLE

FAYETTEVILLE... A COMMUNITY PROFILE

The City of Fayetteville is one of the fastest growing cities in Arkansas. This business and education oriented community has been aggressive in dealing with its growth and in anticipating future growth. Traditionally, the city's needs have been recognized and goals have been developed to effectively meet them. This task, however, is becoming increasingly complex due to increasing demands and limited resources. Along with the many benefits enjoyed by a growing community comes the strain that is placed on its existing facilities and infrastructure. Federal assistance can help ease this strain in a number of areas including water management, waste disposal, aviation, and transportation.

During the past decade, the emergence of a host of federal regulatory programs aimed at environmental protection has shown a significant rise in the Northwest Arkansas Region as well as the State of Arkansas. Traditionally, when the Federal Government Policymakers have wished to encourage the City of Fayetteville to perform some particular activity i.e. sewer rehabilitation, they have relied upon the technique of subsidization. Since the early 1980's federal subsidization including grants for the city have shown a steady decrease, while regulations placed on the city have increased.

Attached is a copy of "Fayetteville...A Community Profile." After examining some of the information it contains, Fayetteville's unique need for federal assistance becomes apparent. As indicated in this publication, the city's growth trend is phenomenal. From 1980 to 1990, the population of Fayetteville increased by almost 20% while the state population increased by only around 3%. It is estimated that between 1990 and 2000, Fayetteville's population will increase by another 22%. This type of growth is typical of the entire Fayetteville-Springdale MSA. And because of the excessive growth in the region, demands for improved highways, larger airports, greater water capacity, and improved sewer systems are placed on cities. The cities in the area, however, will be unable to meet the demand, and that is why more federal assistance is needed for our region.

The University of Arkansas in Fayetteville is the primary campus of the University of Arkansas system, and has contributed to higher education in the area for over a hundred years. Its programs in teaching, research, and public service are constant stimulants to the educational and cultural advancement of the region. And it is for this reason that many new industries and families locate in the area. Enrollment at the University has grown from 5,862 in 1960 to current enrollment of 14,000, and is expected to continue to grow in the future.

Drake field, the City of Fayetteville Municipal Airport, serves as the region's principal airport, and the growth of the area is reflected in the average increase of airline boardings for the last five years at 25.4% - from 65,963 in 1985 to an estimated 150,000 in 1990.

A top priority for Fayetteville is water improvements. Between 1990 and 2000, the city's average daily water flow is expected to increase by 30%. Millions of dollars needs to be spent on replacement of deteriorated water lines, additional storage facilities, and main construction and replacement in high maintenance and growth areas. The Water Quality Act of 1964, and the Clean Water Restoration Act of 1966 increased federal grants to state and local governments to improve water quality. But, these grants have decreased over the past few years. Fayetteville and surrounding cities located in Northwest Arkansas are in a unique situation compared with other Arkansas cities. This region's water is supplied by lake water, and not underground water. So, the cost associated with maintaining water quality standards for this region remains to be one of the highest in the state.

Expenditures of funds are also planned for a sewer system rehabilitation program. This program is designed to identify and correct deteriorated sections of the system to reduce infiltration and maintenance expenses. The City's 1990-1994 Capital Improvements Program for sewer rehabilitation has a total of $7,836,060 funded through sales tax. Unfortunately, there is no funding for such programs after 1994. The early 1980's marked a period when matching funds of 90%-10% and 75%-25% were available for Sewer Rehabilitation Programs. By the mid 1980's, however, these funds were cut.

Like most cities, one of Fayetteville's most urgent and visible infrastructure concerns is with surface transportation. Functionally, Fayetteville is concerned with keeping over 200 miles of streets maintained every year and constructing new streets as the need arises. The frequency of maintenance needs to be increased due to a 10% increase in the local traffic volume.

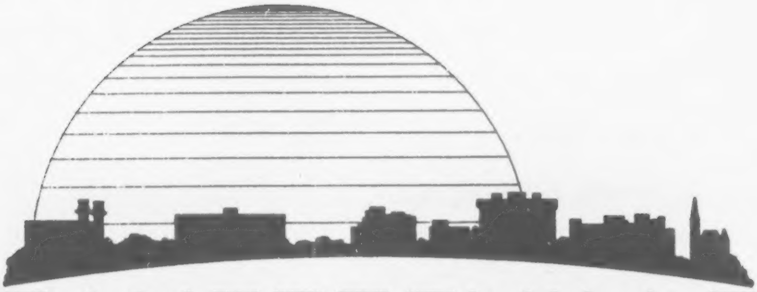
On broader terms, however, Fayetteville is greatly effected by the condition and location of the many highways passing through or near it. Improvements to these highways could give a large boost to Fayetteville's tourism and economic situation.

Specifically, the widening of Highway 412 from Tontitown to Siloam Springs, combined with Oklahoma's new construction will provide an easy link from Tulsa to Fayetteville. Also, travel to and from the north and south would be made tremendously easier if Highway 71, which passes right through the city limits, were widened from Louisiana to Missouri.

For the section of Highway 71 which passes from Alma to Fayetteville, the average daily traffic count has increased by over 22% over the last 10 years from 8,820 in 1979 to 11,360 in 1989. These numbers, however, do not include the heavy volume of local traffic from Alma and Fayetteville which adds to the congestion of this highway at least near these two towns.

In conclusion, the City of Fayetteville has approached federal regulations with cooperation, dedication and enthusiasm. But, the continued rise of a host of federal regulatory programs aimed at environmental protection, along with a decrease in funding provided to the city will continue to put a strain for funding future programs. Therefore, many infrastructure improvements within our beautiful city will only be a dream. And, if our community is to continue on the road to economic success, improved highways, larger airports, increased water capacity and many other improvements will become increasingly essential. We do, though, need the federal government's help more now than ever.

Due to the time constraint placed on the city, this paper cannot express all of the concerns felt by officials in Fayetteville. And as a result, Fayetteville would like to have the opportunity in the near future to express the concerns of our citizens in more detail. The Citizens of Fayetteville do thank you for the opportunity you have given us, and hope to meet with each of you soon.



FAYETTEVILLE

...A COMMUNITY PROFILE

CITY OF FAYETTEVILLE, ARKANSAS

"...A Community Profile"

PARTICIPANTS

City of Fayetteville

Mr. William V. Martin, Mayor

Mr. Scott C. Linebaugh, City Manager

Mr. Kevin D. Crosson, Administrative Services Director

Mr. Robert (Bob) H. Kelly, Public Works Director

Mr. John F. Merrell, III, Planning Management Director

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★ *Fayetteville, Arkansas*

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Section I

COMMUNITY OVERVIEW

COMMUNITY OVERVIEW

The City of Fayetteville, County Seat of Washington County, is located in the northwest corner of Arkansas, some thirty miles east of the Oklahoma border and fifty miles south of Missouri. Sitting near the tallest of the mountains in the Ozark Mountain Range, the City enjoys four distinct and beautiful seasons in a climate that for decades has drawn a wide variety of individuals seeking a special environment to live, work and raise their families.

Settled by some of the regions' earliest pioneers in 1828, and achieved town status in 1835. By 1841, Fayetteville was an incorporated city. While Fayetteville played host to both the Confederate and Union Troops, it survived both to become one of the states most important centers for commerce and learning.

Since 1960, Fayetteville has grown from 20,274 to a projected 50,000 persons. Its unemployment rate has fallen to the current level of 3.9% and the per capita income has grown an impressive 61% since 1980. The significant economic growth in the '80's has been fueled by the phenomenal growth of Wal-Mart, Tyson Foods, J.B. Hunt Transport, and other locally-based companies. This has made Fayetteville known as the business center for the region.

Fayetteville has been aggressive in dealing with its growth -- and in anticipating that growth which is to come. A goal of the City's Economic Development Program is to not only encourage and support new business, but also to direct the growth into areas compatible with existing industry and the City's economic base. In early 1988, the City Manager formed citizen advisory task forces to evaluate City programs and to identify goals and objectives for City resources for the next five years. These are but some of the examples of the genuine effort to ascertain the best course for Fayetteville.

Fayetteville is home to the principal campus of the University of Arkansas system, which has contributed to higher education in the area for over a hundred years. Its programs in teaching, research, and public service are constant stimulants to the educational and cultural advancement of the region. Many new industries locate in the area because of the University, and many industries employ the newly graduated students. The University also forms one of the strongest supports of the local economy, with students spending about $18 million per year in local businesses, in addition to the input of the University payroll.

Another contribution of the University has been the development of the Genesis Program to advise, incubate, and develop new products and businesses, principally in "high-tech" disciplines. Many of these remain in Fayetteville. In a unique joint venture, the City has joined with the University to build and operate an arts complex that will serve the people of the region and the University program alike. When completed in 1991, the Center will house three theatres for the performing arts, an art gallery, studios for dance and art, teaching spaces for multi-disciplinary arts and an outdoor pavilion.

Drake Field, the City of Fayetteville Municipal Airport, serves as the region's principal airport, and economic growth of the area is reflected in the average increase of airline boardings for the last five years at 14.8%. Also, the planned completion of a multi-laned highway, south to Interstate 40 and north to Interstate 70 at Kansas City, puts the city squarely in the fast lane for continued growth in the next decade and into the 21st Century. Other available transportation in the area includes rail freight service through Arkansas & Missouri Railroad, daily bus service through Jefferson Bus Lines, and a number of excellent motor freight carriers.

The City serves the entire region through an outstanding regional medical facility, a Veteran's Administration Hospital, and a private facility which provides for treatment of mental disorders and chemical dependencies. The Fayetteville Public School system includes eight elementary schools, two junior highs, and two high schools. There are also private and parochial schools, and facilities for developmentally disabled children.

Realizing that the area's natural beauty is an asset which encourages both growth and tourism, preservation of a clean environment is a factor in the City's operations and decision-making. The Parks Division tends not only to the City's numerous parks and ballfields, but also has in its care large recreational areas and lakes for sporting enthusiasts of all kinds and ages. A new tertiary wastewater treatment system went online in 1988 that will provide for the community's projected needs for the next 20 years, and 1990 goals include plans for an expansion of the recycling program for the City's solid waste disposal to include a recycling/waste reduction facility that is planned for completion in 1991. It is hopeful that this facility would reduce the City's waste stream by at least 70%.

In summary, the City of Fayetteville, Arkansas, is a collective association of nearly 50,000 people in a region with a population base of over 250,000 who believe that the quality of life is influenced by the quality of the community. Perhaps that is why we are chosen as one of America's best places to live[1].

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[1] Money, August, 1988;
Bayless, High, 1983. The Best Towns in America: a Where-to-Go Guide for a Better Life, Houghton Mifflin, Boston, Massachusetts.

Section II

GOALS OF THE CITY

GOALS OF THE CITY

The City of Fayetteville Mission Statement adopted by the City Board clearly gives direction in the development of long-term goals:

- To have a forward thinking, credible and responsive government
- To provide for our citizens a safe, healthy, attractive, stimulating community in which to live and work by delivering the highest quality municipal services while seeking maximum value for dollars expended
- To have organized and sound deliberations, to develop reasoned policies with ample opportunity for public awareness and involvement

With this statement guiding management, divisional goals are designed to provide direction for every aspect of municipal activity.

■ ECONOMIC DEVELOPMENT

One of the main areas of emphasis for the City during the past two years has been economic development. With the knowledge that economic development does not produce immediate results, much time has been spent in the definition of both short- and long-term goals and objectives. Fayetteville's economic development program has been directed to emphasize not only the attraction of existing industry to our area, but to investigate all avenues of development. These components are all directed toward improving the fiscal base of our City, which is essential to maintaining our quality of life at a reasonable cost to our citizens and insuring the long-term financial well-being of the City.

Effective marketing of the Fayetteville area is an integral part of economic development. Comprehensive advertising campaigns to entice industry to locate in Fayetteville and tourists to visit the area will be possible with the current financial commitment of $150,000 each year. Within the overall goal to develop a community marketing program that will secure interest from new industrial, commercial or retail ventures of all sizes, other objectives have been outlined, including the development of target industry classification listings, ongoing inventory of existing facilities, accumulation of relevant statistical and service data to be distributed, and the marketing of the University as a benefit of relocation of "high-tech" firms.

Another important function of the economic development program is the retention and development of existing commerce in the Fayetteville area. Some initial proposals incorporate plans for a comprehensive survey of Fayetteville industry and business, thereby enabling specific assistance based upon actual need.

The encouragement and assistance of entrepreneurial ventures is also perceived as a target for economic development. Recent evidence indicates that significant job growth is produced from the creation of new small businesses, and the City plans to capitalize on every area available.

We are confident that our goals will be realized in the area of economic development. Encouraging evidence of the marketability is the fact that Fayetteville climbed from # 68 to # 39 in Inc. magazine's annual ranking of the metropolitan economies, which uses business birthrate, percentage growth in private employment and the percentage of young companies experiencing high growth as the three historical criteria for the rankings[2].

■ SAFETY AND SERVICE

Areas of City operation such as police and fire protection are guided by the City's goal to provide for our citizens a safe, healthy, attractive, and stimulating community in which to live and work. Fayetteville is fortunate to have an FBI Crime Index rating of only 57 crimes per thousand of population per year. The Police Department goals and objectives include expanded efforts in training and crime prevention programs, an update of the Department's entire Policy and Procedures, and a step-up in drug enforcement efforts assisted by a special State grant.

The Police Department has planned and implemented the only comprehensive and continuous drug education program in the area. As a law enforcement agency this is considered part of general crime prevention responsibilities. The Fayetteville Police Department is committed to community drug education programs as an integral part of crime prevention operations. The following projects are the only such programs offered in Fayetteville.

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[2] Inc., March, 1988

Drug Prevention Programs

The Fayetteville Police Department is the only law enforcement agency in Northwest Arkansas with the Operation DARE project. Operation DARE, Drug Abuse Resistance Education, is nationally recognized as the most effective youth drug prevention program in the United States. It has resulted in a marked decrease in the number of youths who use drugs, teen suicides linked to drugs, truancy rates, and overall juvenile delinquency attributed to drug abuse.

In 1989 approximately 618 5th. grade students participated in Project DARE. Over 135 work hours in DARE presentations have been recorded for the entire 5th. grade elementary school population of Fayetteville. Project DARE plans for 1990 include an additional target group which will double the number of hours for the program.

Speaking Engagements

Over the last three (3) years the Fayetteville Police Department has integrated crime prevention and drug abuse prevention as part of core operations. As a result of this commitment, the police department has developed a reputation for fighting the drug war on the street and in supporting anti-drug abuse programs in the schools and family.

Citizens of Fayetteville and Springdale have made special requests for lecture presentations in their community, work place and schools. The majority of request for speaking engagements concern drug abuse and prevention. The Police Department averages approximately 20 - 25 special lecture presentations per year on this topic alone.

Speaking engagements on drug abuse prevention are generally provided by the police department. Periodically, private industry will market services as part of a drug abuse prevention lecture presentation. Unlike police department presentations, private industry speaking engagements concentrate on what clinical assistance is available after the fact. Therefore, with the help of both the private and public sectors, all aspects of drug abuse and prevention education is available for our citizens.

The Fire Department for the City of Fayetteville provides fire protection for the City and outside the City properties that have fire contracts. These services include responding to and extinguishing unfriendly fires, performing rescue operations, fire prevention and fire hydrant maintenance. One of many objectives for the Fire Department is to continue to educate the citizens of our community of fire prevention techniques that can be used which contribute to saving lives, such as the proper use and placement of fire alarms, escape plans - enabling persons to safely escape unfriendly fire situations. A number of seminars and presentations are provided to the public -- at schools in particular. The fire department will contact at least 80% of kindegarden school children on the dangers of fires, as well as provide tours of the fire facilities. Other objectives for the fire department for 1990 include structured training to all Firefighters, including new recruits, in all phases of firefighting, prevention and general fire department operations. The training is provided by the Arkansas Fire Academy for certification of training which ensures that the department will maintain a high proficiency with new firefighter standards. Other objectives include maintaining an average response time of four minutes or less for the first-in company on emergency responses within the City, as well as stopping 50% of all working structural fires short of a total loss, and to control 95% of all structural fires in 3/4 hour or less. With the success of the bond election, the fire department will have one of the most modern fire department's in the State of Arkansas, which will ensure the community that their need for fire services will continue to be excellent today and the future.

▪ PUBLIC WORKS

As in all areas of the City, the Public Works Department is committed to providing the best services for the fewest taxpayer dollars. In this regard, the City has undertaken the City's first attempt at a formal application of a performance management system. The computerized Maintenance Management/Work Order system is on-line, and through the careful analysis of feature inventory, work methods, and required resources, Fayetteville hopes to maximize the resources available in this area of operations. Another area of concern to Public Works is the refurbishment of the City's infrastructure, which is being addressed by the City's Five-Year Capital Improvements Program and will be discussed in more detail in the section which outlines the Program.

The City has made a major commitment to waste water pollution control. The completion of the new tertiary Waste Water Treatment Plant was but the beginning of the City's design to aggressively manage this problem. In order to meet environmental regulations, an aggressive approach is necessary, and a responsibility to state and federal government authorities as well as the citizens of Fayetteville has initiated a multi-million dollar sewer rehabilitation program.

■ FINANCIAL MANAGEMENT

Financial management is a strong area of emphasis for Fayetteville's city management team. The City's goal is to ensure that a position of solid fiscal soundness is maintained through tight financial and budgetary controls, and by assuring careful and aggressive investment activity. To that end, the City has instituted an internal auditing program and has reorganized many functions in accounting, purchasing, data processing, and budgeting, into a Finance Division, which will provide a more streamlined service. Financial planning is strongly emphasized, with a performance/program budgeting format, and a 5-Year Capital Improvements Program being updated annually. Further, management continues to endorse the philosophy that for the City to remain fiscally healthy, an unrestricted fund balance resource equivalent to at least 10% of the general operating fund should be maintained.

The commitment that management has made to fiscal integrity and control has recently paid off for the City. The City was awarded the Government Finance Officers Association's "Certificate of Achievement for Excellence in Financial

Reporting" for its 1988 Comprehensive Annual Financial Report. In addition, the City was awarded GFOA's "Distinguished Budget Presentation Award" for its 1989 Annual Budget. These awards are the highest forms of recognition in governmental accounting and budgeting, it is felt that their attainment represents a significant accomplishment by City Management and the Board.

While the goals of the City are ambitious, they are by no means unattainable. The City's goals are realistic and backed by a professional management team, a dedicated staff, and an enlightened and responsive City Board. The City stands ready to advance into the 21st century, capitalizing on the experiences of the past, the academic preparation of our staff, and the valuable knowledge and civic concern of our citizens. With the cooperation of all elements of our community, we are certain to be in the forefront of progressive municipal theory and practice.

Section III

MANAGEMENT - REORGANIZATIONS & PHILOSOPHIES

MANAGEMENT - REORGANIZATIONS & PHILOSOPHIES

The City of Fayetteville operates under the manager-director form of government, which provides for a seven-member Board of Directors, with the mayor elected by the Board from among its members. The Board appoints a professional city manager. Directors are elected on a non-partisan basis. Four of the seven directors run from single-member wards within the city and three directors run at large. All directors are voted on by all city voters and serve four-year terms. At-large directors are elected at a presidential election. The four ward directors are elected at the following general election.

In the two decades that the city has utilized the manager-director form of government, several sweeping changes have occurred. The most significant changes have occurred in the last 5 years, with a major Performance Audit being conducted in 1986, along with a comprehensive reorganization. The reorganization, which was aimed at improving efficiency and managerial effectiveness, was the outgrowth of Board action that was begun in 1984.

Arthur Young & Company, the firm selected to conduct the performance audit, began a six-month review of City policies and organization in 1985. The overall goal of the study was to develop recommendations that would enable the City to improve its managerial effectiveness and productivity. A total of 205 employees, including supervisory and non-supervisory, were surveyed, with over 45 employees and directors being interviewed for their suggestions, opinions, insights and problems. As a result of the performance audit, a major staffing reorganization was recommended and undertaken.

Since the performance audit in 1986, substantial changes have occurred in the City. City services have expanded, departments have reorganized, program emphasis has changed, and positions have been restructured without corresponding changes in the formal classification and compensation systems. Consequently, in 1989, the City hired Hay Management Consultants to assist the city in performing a comprehensive review and study of the city's job descriptions, position classification program, pay plan, and benefits plans, which cover approximately 120 positions and 350 employees. The comprehensive review and study was required to promote and assure internal equity in pay and maintain competitiveness in the external pay markets in which the City competes for qualified personnel.

In 1990 a new City Manager was hired and further reorganizational steps were taken to better streamline and solidify the top staff of the City, as well as enhance the responsiveness of City staff, and to complete the performance audit report's recommendations. From these reorganizations, a basic but underlying management philosophy has emerged. That philosophy consists of the following elements:

- An emphasis on economy and efficiency in all operations
- An emphasis on a strong financial management and control system for the protection of the city's assets
- An emphasis on a comprehensive economic development program to broaden and strengthen the city's tax base; with the addition of this program we have added an Economic Development Coordinator
- An emphasis on policies and procedures that are geared toward responsiveness.

A number of accomplishments can be recognized from these reorganizational efforts:

- **CENTRALIZED UPPER MANAGEMENT**

  Prior to the 1986 reorganization, approximately 15 department heads reported to the City Manager. Under the present organization, five departmental directors exist: Police, Fire, Planning Management, Public Works, and Administrative Services. This has resulted in better direction being given to divisions and a consolidation of the management team.

■ CHANGES IN KEY PERSONNEL

Changes in key personnel resulted from the City's reorganization efforts. New individuals have been hired in all of the City's departmental director positions. With many of the Department Directors being promoted from within the City. This has provided the city with many years of needed experience. And has resulted in a management style that is conducive to the goals of efficiency and economy.

■ STREAMLINING OF BOARD/STAFF RELATIONS

Relations between the City Board of Directors and staff have also changed dramatically as a result of the reorganizations. The Board formerly had a number of committees which dealt with different parts of the organization. These included an Airport Committee, Finance Committee, Public Works Committee, and Personnel Committee, among others. These committees often dealt with division heads and other lower-level staff and were very much involved in the day-to-day activities of City management. Currently, all Board contacts are directed through the City Manager or the departmental directors. This has resulted in less Board involvement in day to day management and more involvement in policy-making.

■ IMPROVED CHANNELS OF COMMUNICATIONS/COMPLAINTS THROUGH STANDARDIZATION OF PROCEDURES FOR CITIZEN REQUESTS

One improvement that directly affected the public as a result of the reorganizations was the establishment of improved channels of communications/complaints through standardization of procedures for citizen requests. The Board of Directors and staff have made a priority of maintaining a high level of responsibility and responsiveness to citizen needs. A citizen assistance function was set up in the City Manager's office to coordinate and document the citizen problems, needs and complaints. This function will be expanded in the 1991 calendar year to include comprehensive computerization of citizen problems, needs and complaints. Also, to continue to improve communication channels between the Citizens of Fayetteville and City Government, City Board meetings are televised locally, and full disclosure of city activities is a high priority. One of the top priorities for management in the 90's is to continue to improve and expand communications between the Citizens and Government in order to be truly consistent with this nation's principles of democracy.

- **EMPHASIS ON CURTAILING INFRASTRUCTURE DETERIORATION**

  Like many cities of Fayetteville's size and age, parts of the city's infrastructure have reached the end of their life cycle. Water and sewer lines, streets, drainage structures, and other related facilities are planned for replacement through the five year capital improvements program. During the recent primary election, the citizens of Fayetteville overwhelmingly approved $33,000,000 of bonds to help fund the capital improvement program, to solve the City's infrastructure needs. Improved management of the infrastructure through regular inspections and scheduled preventative maintenance will lengthen much of the infrastructures usable life. The capital improvements program, coupled with improved preventative and corrective maintenance, is designed to provide a comprehensive, planned solution, to the deteriorating infrastructure problem, in the future.

- **PERFORMANCE MANAGEMENT SYSTEM**

  A performance management system was designed and placed into operation in the Public Works Department. A consultant was brought in to set up and implement a maintenance management system in the Department that tracks and records work performed. This information is compared to a series of "performance standards" to determine areas of improvement, and to assist the department in making management decisions for the budget in terms of staffing and equipment needs, resource allocations, and etc. This system was set up in order to increase the efficiency and effectiveness of the

City's maintenance functions.

- **INCREASED EMPHASIS ON PLANNING**

  Areas of City operation such as planning, inspection, code enforcement, and parks and recreation are guided by the City's goal to provide for our citizens a safe, healthy, attractive, and stimulating community in which to live and work. In 1988, the City hired its first professional planner in the person of the Planning Management Director. Currently, a new planning ordinance is being developed by a consultant which should provide for better and more controlled growth. Also, a Planning Consulting Firm was selected to update the City's General Land Use Plan, and develop a new planning ordinance. The General Land Use Plan, as well as new zoning ordinances are being developed after close analysis of areas such as physiography, community history and facilities, and population and economic trends. Although the primary objective is to determine future land use, recommendations are evolving for the areas of transportation and infrastructure systems. 1990 plans include the completion of a totally new planning ordinance and development process. These steps have been taken in an attempt to realize the City's goal to organize a vital department which directs growth and protects the integrity of our community.

- **INCREASED EMPHASIS ON FINANCIAL PLANNING**

  An overall increased emphasis on planning has been seen as a result of reorganization. Each budgetary program is required to be defined by quantifiable goals, objectives, and strategies. The City's budget has been developed into an effective planning document with a move toward program budgeting. Finally, the Five Year Capital Improvements Program was established in order to more effectively plan for future needs.

- **INCREASED EMPHASIS ON SAFETY**

  The City has focused on an increased emphasis on safety, both for the public and employees. Monthly employee safety meetings have been enacted, CPR classes have been offered to City employees and certification in CPR has been made mandatory, and Defensive Driving classes have been required for all operators of City vehicles.

- **IMPROVED INTERNAL AUDITING AND CONTROL PROCEDURES**

  The City's internal auditing and control procedures have been dramatically improved as a result of reorganization. The City has hired its first Internal Auditor in 1988, which has worked at establishing better practices of internal control. The position is responsible for city-wide internal control administration, grants accounting, all federal compliance and funding, and is in charge of coordination of the annual financial audit.

- **CENTRALIZATION OF ACCOUNTING FUNCTIONS**

  A final result of reorganization has been the centralization of all accounting functions under one area. Formerly, a number of areas acted independently (Airport, Wastewater Treatment Plant Project, and Community Development) of the Finance Division. With an addition of a number of positions in 1988, including the internal auditing position, all divisions, operations and projects are accounted for in the Finance Division. The Finance Director, under the direction of the Administrative Services Director, coordinates the activities of accounting, auditing, purchasing, water and sewer services, and data processing.

- **REGIONAL COOPERATION**

  A regional approach to the continued economic success of Northwest Arkansas is important to this region as well as the State of Arkansas. A regional concept also plays a very important role in safety and service for the citizens of Fayetteville and surrounding areas. Such as drug enforcement and hazardous materials to mention a few.

The Northwest Arkansas Regional Hazardous Materials Response Team (NWARHMRT) was formed to comply with the Superfund Amendments and Reauthorization Act of 1986. The regional concept is the most cost effective way to provide complete response coverage to Benton and Washington counties.

NWARHMRT is made up of 30 members from the following paid fire departments in Benton and Washington counties: Bella Vista, Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale. The regional ream is set up to collectively handle any major hazardous material incident in the two county area. Each department has an in house team to handle less serious routine hazardous materials incidents.

Fayetteville Fire Department has five members on the regional team. These five members also comprise our in-house team and handle the less serious incidents within the city. The following personnel make up Fayetteville's Response Team: Captain Gregg Riley (Team Coordinator), Captain Rick McCurdy (Regional Training Coordinator), Firefighters Gerald Thompson, Paul Knapp, and Kyle Linn.

The NWARHMRT is managed by the Northwest Arkansas Metropolitan Fire Chief's Association, Incorporated. This organization is made up of all the paid fire chiefs in Benton and Washington county. Metro Chiefs manages the operations, budget, and policies of the regional response team. The Metro Chiefs also handle the incident command function for any regional response in their designated response areas.

- **INCREASED EMPHASIS ON ECONOMIC DEVELOPMENT**

  An increased emphasis on economic development has also been the result of reorganization. The City now employs a full-time Economic

Development Coordinator who works to attract industry and business to the City and to maintain the level of economic activity that currently exists.

- **EMPHASIS ON STRATEGIC MANAGEMENT**

  Strategic management is a process that includes conceptualizing a mission and setting goals, analyzing key factors in the internal and especially the external environment (e.g., opportunities, threats, strengths and weaknesses), developing strategies, and developing and implementing action plans. These actions are sometimes known as developing a mission statement, situation analysis, strategic planning or action planning. City management has taken major strides towards implementing the key concepts of a strategic management philosophy.

Section IV

FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM

FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM

The Five Year Capital Improvements Program, 1990 - 1994 that totals $80,724,861, was developed and implemented as a comprehensive plan for Fayetteville's long range capital improvement needs and for responsible financial planning for those needs. The annual review of the program will be made to evaluate the demands for capital improvements and the City's ability to pay for those improvements from current revenue and borrowings. As evidence of public support and approval of the CIP, the voters adopted a 1% local sales and use tax within the City for a period of 20 years to finance capital improvements to be made over the next five years. This tax revenue will benefit the City's ongoing effort to provide the best municipal services possible to the citizens of Fayetteville. As evidence by the recent bond election, the Citizens overwhelmingly approved a $33,000,000 bond issue, which will allow the City to address many of its infrastructure needs. The City will also issue Water and Sewer Revenue Bonds in the near future.

- **PUBLIC WORKS**

  A top priority for Fayetteville is Water and Sewer system improvements. The City's water is purchased from the Beaver Water District and is presently transmitted through a single 36" line for a distance of 72,000 feet. Construction of a parallel line is scheduled to begin this year at a total cost of $12 million. Another $3,660,000 is proposed for other improvements to the water system to include replacement of deteriorated water lines, additional storage facilities, and main construction and replacement in high maintenance and growth areas.

  Examination of the sewer system with new television inspection equipment as well as the implementation of permanent flow monitoring stations are important elements of the City's sewer system rehabilitation program. This program is designed to identify and correct deteriorated sections of the system to reduce infiltration and maintenance expense. The capital improvements program outlines $ 9,875,000 in sewer rehabilitation projects.

The Street Division is another area of Public Works which plays a significant role in the five year plan. Travel within the City depends upon conveniently placed and properly maintained streets, and over $10 million has been included for street construction, reconstruction and improvement throughout the City. Drainage and bridge improvements are projected to be an additional $3.9 million.

Traffic direction and control is another area of municipal service which is being guided by the directional growth of the City and the 9.28% increase in traffic volumes in the last 5 years. New traffic signals at a cost of $174,050 are planned along with $120,000 for parking meter replacement in 1990.

Similar to other areas of the nation, Fayetteville has been faced with difficult decisions concerning the disposal of solid waste. A decision by the voters to disengage from the Northwest Arkansas Resource Recovery Authority has been approached as a directive as to finding the solution to this problem. Primarily because of public opinion, the City initiated a recycling/waste reduction program which has currently reduced the waste stream by 15%. And because of the success of the bond issue, the City can expand and improve the program to include a two (2) phase recycling/waste reduction facility. Phase I of the facility will begin within the next few weeks at a total cost of $750,000. Phase II, at a cost of $250,000, will begin in mid 1991 and is scheduled for completion by the fourth quarter of 1991. This facility will be built with an ability to expand and serve as a regional facility -- as the population continues to grow and waste increases accordingly, the facility will have the ability to expand to meet the need, whereby, reducing waste to area landfills.

Airport improvements, library expansion and parks development are also proposed as necessary projects to the long-term goals of the City. As population projections indicate a need for at least a 46% increase in library floor space, $500,000 has been designated in the recommended 1989 projects of the Five-Year Program. In Parks and Recreation, Youth Center Swimming Pool renovations and the purchase and development of a park in the northeastern growth area of the City are major projects planned to begin soon. $503,545 has been allocated to Parks improvements over the next five years, and approximately $1,000,000 has been allocated for the renovation of the Youth Center Pool.

- **ECONOMIC DEVELOPMENT**
  In the development of Fayetteville's long-range plan, economic development again has been considered a priority. The 1990 budget and work program, as well as our long-term goal, calls for industrial and commercial recruitment and development, maintaining and assisting existing business and industry, promoting the Industrial Park while also looking to the Highway 71 corridor, and assisting in tourism. Included in the CIP is an investment of $3 million for the Industrial Park, primarily for the acquisition of land.

- **ADMINISTRATIVE SERVICES**
  Under the current organization of the City, all vehicles and equipment except Fire Department vehicles are placed in the motor pool and are purchased, maintained, and replaced by the Shop Division. Replacement of equipment is therefore presented in the Shop section of the capital improvements program. The total planned investment in vehicles and equipment is $4,692,608 for 1990 - 1994.

The City has joined with the Fayetteville Humane Society in an effort to build a new animal shelter. During the first quarter of 1990 the ground breaking for the animal shelter took place. The City has pledged $150,000 in the Animal Control Division toward the construction of the animal shelter, and the Humane Society has contributed an equal amount to the project.

Advanced technology is being applied in the Meter Division through the use of a computerized Meter Touch Read System. This system is scheduled to be completed by 1999 with $337,500 allocated in the next five years for conversion and installation of the new meters.

- **FIRE DEPARTMENT**

  The need to relocate an existing fire station at a cost of $325,000 has been determined based upon the growth pattern of the City as well as the ineffectiveness of the present location. Also, a planned replacement of four (4) older fire trucks is included in the five (5) year capital improvement program at an estimated cost of $1,055,000.

- **POLICE DEPARTMENT**

  The success of the bond election will enable the police department to remodel the police facility, enabling much needed space for Central Dispatch. The Police Department's equipment needs will be provided through the Motor Pool, with at least $100,000 provided each year for Patrol Car replacements, as well as other capital needs

Section V

SELECTED GOVERNMENTAL INFORMATION

SELECTED GOVERNMENTAL INFORMATION

■ THE BUDGET PROCESS

The Fayetteville annual budget is a fiscal plan which presents the services which will be provided to the community and the funds needed to perform these services. The City's budget is presented on a GAAP basis which allows for fair presentation of the financial position for the City of Fayetteville. The type of service and the level of service is defined by program objectives, which are further defined by performance measures. The 1990 budget includes line item expenditures. This will be the last year for compilation of a hybrid budget, which includes line item expenditures. At the direction of the City Board, staff will attempt to prepare a strict program/performance based budget in 1991. The City Manager is responsible for formulating the fiscal plan and presenting it to the Board of Directors for approval and adoption.

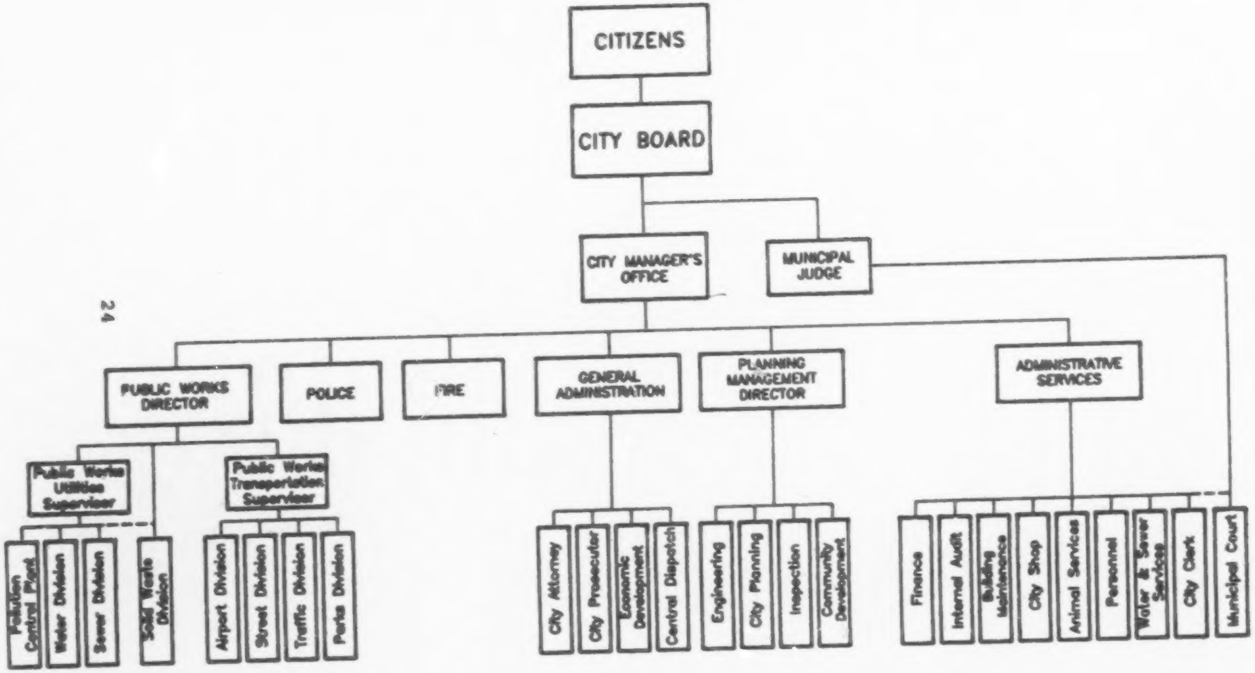
The City's Fiscal Year currently runs from January 1 to December 31. The budget process begins in the preceding May, with a budget preparation package being distributed to all Department Directors and Division Heads. It includes a detailed manual with the budget preparation calendar, examples of all forms and instructions for completing these forms to request funding for 1991. All capital items requested are then reviewed by the Department Directors and Budget Staff to determine whether original cost and continuing cost are within the available funding range. All capital items with an original cost that exceeds $5,000 must have appeared in the 5 Year Capital Improvements Program.

A special board meeting is held in December at which the Board of Directors review, ask questions, and make needed revisions to the proposed budget document. The budget is adopted at the second regular meeting in December. The 1990 budget consists of $72,891,093 in revenues and $72,891,093 in expenditures. Pages I through XXIX in the 1990 Annual Budget and Work Program document for the City of Fayetteville provides an excellent summary of the budget.

■ PERSONNEL

The City is organized into six (6) major departments: General Administration, Administrative Services, Public Works, Planning Management, Police and Fire. (See page 24 for a diagram of the City's organizational chart). The General Administration Department is composed of the City Manager, Municipal Judge, City Attorney, City Prosecutor, Economic Development, and Communications Divisions, and includes 24.5 positions. The Administrative Services Department is composed of the Finance, Internal Audit, Building Maintenance, City Shop, Animal Services, Personnel, Water and Sewer Services, City Clerk, and Municipal Court, and includes 73.75 positions. The Police Department includes 67.5 positions and the Fire Department includes 54 positions. The Planning Management Department is composed of Engineering, Inspection, Planning, and Community Development and includes 18.5 positions. Finally, the Public Works Department is composed of the Public Works Management, Water Division, Sewer Division, Solid Waste Management, Pollution Control, Airport, Street, Traffic, and Parks and includes 117.75 positions. There are 356 positions budgeted in the 1990 budget at a total salary and benefit cost to the city of $10,555,010.

CITY OF FAYETTEVILLE
Organizational Chart


CITIZENS
CITY BOARD
CITY MANAGER'S OFFICE
MUNICIPAL JUDGE
PUBLIC WORKS DIRECTOR
POLICE
FIRE
GENERAL ADMINISTRATION
PLANNING MANAGEMENT DIRECTOR
ADMINISTRATIVE SERVICES
Public Works Utilities Supervisor
Public Works Transportation Supervisor
Pollution Central Plant
Water Division
Sewer Division
Solid Waste Division
Airport Division
Street Division
Traffic Division
Parks Division
City Attorney
City Prosecutor
Economic Development
Central Dispatch
Engineering
City Planning
Inspection
Community Development
Finance
Internal Audit
Building Maintenance
City Shop
Animal Services
Personnel
Water & Sewer Services
City Clerk
Municipal Court

PROFILE: Scott C. Linebaugh

Currently:	City Manager of Fayetteville, Arkansas
Personal:	Born October 22, 1950, Los Angeles, California. Married, three daughters.
Education:	B.S. Accounting, University of Alabama, 1976. Seminars in management techniques, leadership, MBO, planning, finance, and budgeting with the Governmental Finance Officers Association, University of Arkansas, and Texas Tech.
Professional Experience:	City Manager, Fayetteville, Arkansas Population: 47,000 + May 1990 to present
	Assistant City Manager, Fayetteville, Arkansas Population: 40,000 + December 1987 to May 1990
	Administrative Services Director Fayetteville, Arkansas Population: 39,600 February 1986 to December 1987
	Finance Director Fayetteville, Arkansas Population: 36,000 October 1979 to February 1986 Accountant, Russell Brown & Company CPA's

Little Rock, Arkansas
1976 to 1979

Manager, University Club
Tuscaloosa, Alabama
1974 to 1976

Assistant Manager, University Club
Tuscaloosa, Alabama
1973 to 1974

Honors and Special Activities:

- Arkansas State Representative, Governmental Finance Officers Association, 1984 to present.
- President, Arkansas Governmental Finance Officers Association (AGFOA), 1984 to 1985.
- Vice President, AGFOA, 1982 to 1983.
- Treasurer, Youth Bridge, Inc., 1982 to 1986.
- Treasurer, Fayetteville Creative School Bd., 84 to 88.
- United Fund Government Services Division Chairperson, 1986 to 1989.

Current Memberships:

- Arkansas State Representative to Governmental Finance Officers Association.
- President, Walton Arts Center Foundation Board.
- President of the Board, Youth Bridge, Inc.
- Treasurer, Police Pension Board.
- Treasurer, Fire Pension Board.

Member of the following organizations:

- International City Managers Association.
- Municipal Treasurers Association of the United States and Canada.
- Public Risk Managers Association.
- American Public Works Association.
- Municipal League of Arkansas.

- *Fayetteville, Chamber of Commerce.*
- *Advisory Committee Fayetteville High School Business Education.*

PROFILE: John F. Merrell, III

Currently:
Director of Planning Management
City of Fayetteville, Arkansas

Personal:
Born September 25, 1949
Greensboro, North Carolina

Education:
Bachelor of Arts, Guilford College (1971).
Double Major: Geography and History.
Minor: Urban and Regional Planning-related

- *Certificate, Georgia Institute of Technology Summer Institute of Urban Planning (1972).*
- *University of North Carolina, urban geography city planning and geography.*
- *Certificate, National Main Street Center of the National Trust for Historic Preservation (1984).*
- *Downtown Revitalization Institute held at Cornell University.*

Professional Experience:

Planning Management Director
Fayetteville, Arkansas
Population: 47,000+
August 1988 to present

Director Planning Division
City of Danville, Virginia
Population: 56,000
December 1978 to August 1988

Associate Planner, Lyles, Bissett, Carlisle & Wolff
Architects, Engineers, Planners
Columbia, South Carolina
April 1973 to December 1978

Assistant Regional Planner
Santee-Wateree Regional Planning Council
Sumter, South Carolina
April 1972 to April 1973

Honors and Special Activities:

- *Elected to Executive Board of Directors Virginia Citizens Planning Association.*
- *Served as Chairman of the Virginia Citizens Planning Association Policies Committee.*
- *Received certificate (one of 100) from National Main Street Center of the National Trust for Historic Preservation at the Downtown Institute.*
- *Awarded contracts on a private basis for urban planning consulting work for the towns of Cheraw and Mullins, South Carolina.*
- *Received "Preservationist of the Year" award from Danville Historical Society in 1986.*

Current Memberships:

- *American Planning Association.*
- *Urban Land Institute.*
- *National Trust for Historic Preservation.*

PROFILE: Richard M. Shewmaker

Currently:
Economic Development Coordinator
City of Fayetteville, Arkansas

Personal:
Born March 18, 1943,
Little Rock, Arkansas.
Married, two sons.

Education:
B.S. Business Administration
Little Rock University.

- Completed 52 upper level courses within Division of Business and Economics.
- Courses at Georgia Tech Industrial Development Institute.
- University of Texas, Financing Industrial Development courses.
- University of Arkansas, Management by Objective course.

Professional Experience:

Economic Development Coordinator
City of Fayetteville, Arkansas
Population: 47,000+
October, 1988 to present

Shewmaker Corporation - Consulting Firm
Owner and Operator
Ft. Smith, Arkansas
April 1974 to October 1988

Assistant Director,
Western Arkansas Planning and Development
Ft. Smith, Arkansas
July 1967 to April 1974

Planning Coordinator
Mehlburger Engineers and Planners
Little Rock, Arkansas
December 1966 to July 1967

Administrative Aide
Arkansas Planning Commission
Little Rock, Arkansas
February 1966 to December 1966

Current Memberships:

- *American Economic Development Council.*
- *Southern Industrial Development Council.*
- *Community Development Society.*

PROFILE: Kevin D. Crosson

Currently:	Administrative Services Director of Fayetteville, Arkansas
Personal:	Born August 26, 1961, La Junta, Colorado. Married, no children.
Education:	Master of Science in Public Administration, University of Arkansas, 1990. Bachelor of Arts in Political Science, University of Arkansas, 1984.
Professional Experience:	Administrative Services Director, Fayetteville, Arkansas Population: 47,000 + June 1990 to present Assistant Administrative Services Director, Fayetteville, Arkansas Population: 40,000 + January 1989 to June 1990 Special Projects Officer, Fayetteville, Arkansas Population: 40,000+ November 1986 to December 1988 Administrative Intern, Fayetteville, Arkansas Population: 36,000 May 1986 to November 1986

Graduate Research Assistant,
University of Arkansas, Fayetteville
January 1985 to May 1986

Administrative Intern,
Arkansas Science and Technology Authority
Little Rock, Arkansas
May 1985 to August 1985

Shop Supervisor,
Old Oak Shop
Springdale, Arkansas
1982 to 1984

Honors and Special Activities:

- Secretary and Treasurer, Governmental Finance Officers Association, June 1990 to present.
- Loaned Executive, United Way of Fayetteville

Current Memberships:

- American Society for Public Administration.
- Arkansas Chapter, American Society for Public Administration.
- Arkansas Chapter, Government Finance Officers Association.
- International City Management Association.
- Arkansas Chapter, International City Management Association.

PROFILE: Robert (Bob) H. Kelly

Currently:

Director of Public Works
City of Fayetteville, Arkansas

Personal:

Born April 11, 1953
Bainbridge, Maryland
Married, two children

Education:

Bachelor of Arts, University of Arkansas (1976).
Bachelor of Architecture, University of Arkansas (1977).

- *Registered Architect, State of Arkansas, #1947*
- *NCARB Certificate, #34241*
- *Commissioned Ensign, Civil Engineer Corp USNR (1982)*

Professional Experience:

Public Works Director
Fayetteville, Arkansas
Population: 47,000+
1989 to present

Assistant Public Works Director
Fayetteville, Arkansas
Population: 45,000+
1988 to 1989

Assistant Public Works Maintenance
Fayetteville, Arkansas
1987 to 1988

Project Manager Architect
Hailey Powers Froning Architects
Fayetteville, Arkansas
1985 to 1987

Project Architect
Cromwell Firm Inc.,
Little Rock, Arkansas
1979 to 1985

Job Superintendent
Kelly Construction
Helena, Arkansas
1977 to 1979

Special Activities:

- *Lieutenant, Civil Engineer Corps, U.S. Naval Reserve*
- *Served as Chairman of the NW Section of American Institute of Architects (1989).*
- *National Trust for Historic Preservation.*
- *Society of American Military Engineers.*
- *American Water Works Association.*
- *International City Managers Association.*
- *National Trust for Historic Preservation.*
- *Fayetteville, Chamber of Commerce.*

Current Memberships:

- *Fayetteville Northside Rotary Club.*
- *Planning Committee, St. Paul's Episcopal Church.*

Appendix A

COMPARATIVE STATISTICAL DATA

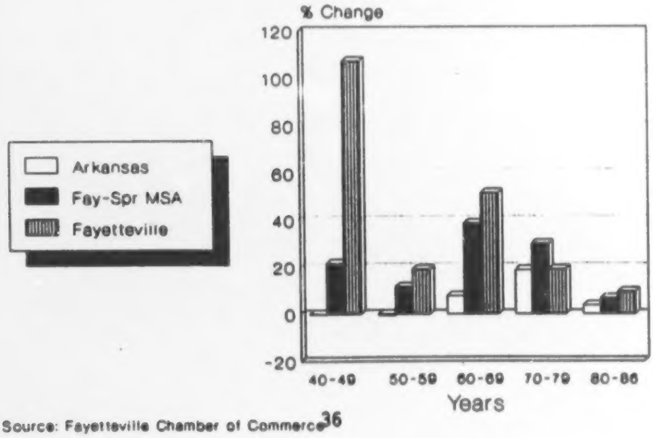
FAYETTEVILLE - HISTORICAL POPULATION COMPARISONS

The table below sets forth the historical population data for the State of Arkansas, the Fayetteville-Springdale MSA, and the City of Fayetteville.

	Arkansas	Fay.-Spr. MSA	Fayetteville
1940	1,949,387	41,114	8,212
1950	1,909,511	49,979	17,017
1960	1,786,272	55,797	20,274
1970	1,923,322	77,370	30,729
1980	2,286,435	100,494	36,608
1986	2,370,000	107,100	40,110
1987	2,420,000	109,100	40,803

Source: Fayetteville Chamber of Commerce

PERCENTAGE CHANGE IN POPULATION
Growth Analysis 1940-1986
Arkansas, Fay-Spr MSA, Fayetteville



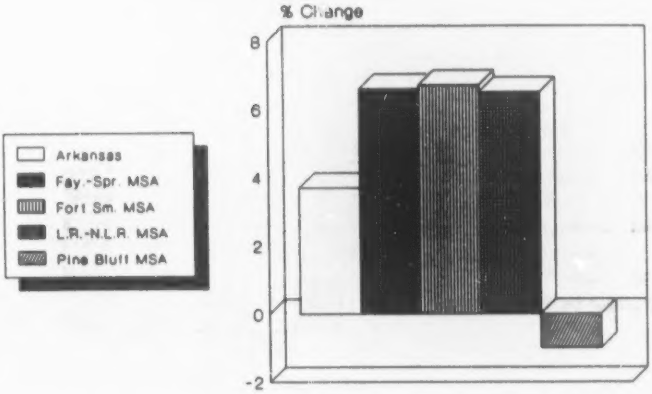
Source: Fayetteville Chamber of Commerce

The table below sets forth recent population data for the State of Arkansas and the MSA's of Fayetteville-Springdale, Little Rock-North Little Rock, Pine Bluff, and Fort Smith.

	1980	1982	1984	1986
Arkansas	2,286,358	2,307,000	2,347,000	2,370,000
Fay.-Spr. MSA	100,494	101,800	104,100	107,100
L.R. - N.L.R. MSA	474,463	482,600	492,900	505,200
Pine Bluff MSA	90,718	90,500	90,400	90,100
Fort Smith MSA	162,813	167,092	171,403	176,900

Source: U.S. Bureau of the Census

PERCENTAGE CHANGE IN POPULATION
Growth Analysis 1980-1986
Arkansas & MSA's



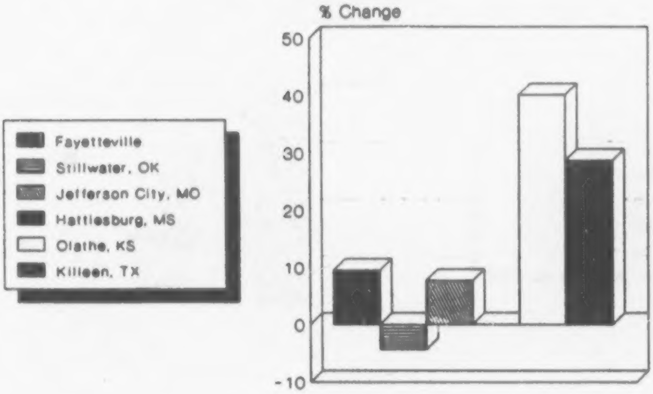
Source: U.S. Bureau of the Census

The following table compares the City of Fayetteville with five cities outside the State of Arkansas that are regionally located and of comparable size.

	1980	1982	1984	1986
Fayetteville	36,608	36,270	35,709	40,110
Stillwater, OK	38,268	39,459	38,044	36,630
Jefferson City, MO	33,619	34,575	35,012	36,210
Hattiesburg, MS	40,829	41,962	41,927	40,740
Olathe, KS	37,258	42,248	46,762	52,180
Killeen, TX	46,296	50,559	55,666	59,560

Source: U.S. Bureau of the Census

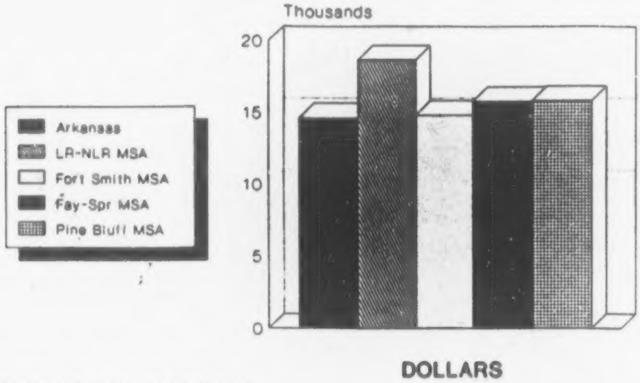
PERCENTAGE CHANGE IN POPULATION
Growth Analysis 1980-1986
Comparative Cities



Source: U.S. Bureau of the Census

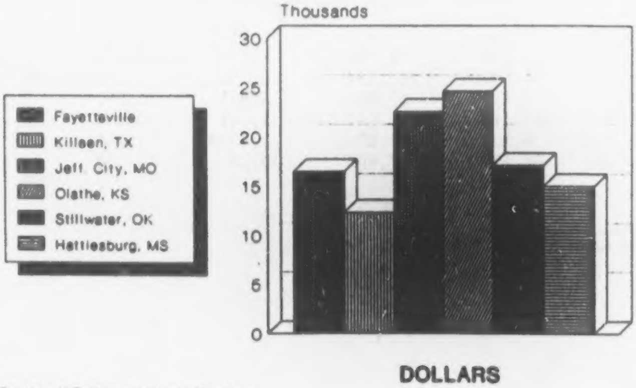
MEDIAN FAMILY INCOME

ARKANSAS & MSAs - 1980



Source: U.S. Bureau of the Census

FAYETTEVILLE & OUT-OF-STATE CITIES OF COMPARATIVE SIZE



Source: U.S. Bureau of the Census

PER CAPITA PERSONAL INCOME

The table below sets forth the per capita personal income for the State of Arkansas and the state's four MSA's.

	Arkansas	LR-NLR	Pine Bluff	Fort Smith	Fav.-Spr.
1980	7,465	9,113	7,543	7,753	7,225
1981	8,320	9,924	8,173	8,541	8,172
1982	8,605	10,442	8,283	8,959	8,586
1983	9,098	11,190	8,842	9,409	9,164
1984	9,933	11,959	9,300	10,078	10,238
1985	10,530	12,810	9,982	10,626	10,876
1986	11,042	13,435	10,529	11,145	11,682
1987	11,538	13,966	10,878	11,626	12,150

Source: Bureau of Economic Analysis, UALR

The following table illustrates the per capita personal income for the Fayetteville-Springdale MSA and five areas of comparative size outside the State of Arkansas.

	Olathe	Hattiesburg	Jeff. City	Stillwater	Killeen	Fav.-Spr.
1980	13,912	7,159	8,917	8,416	8,059	7,225
1981	15,285	8,016	9,796	8,252	8,979	8,172
1982	16,212	8,393	10,334	8,758	9,794	8,586
1983	16,976	8,617	10,955	8,851	10,297	9,164
1984	18,029	9,118	11,547	9,347	10,934	10,238
1985	19,433	9,787	12,074	9,996	11,499	10,876
1986	20,091	10,190	12,609	10,393	11,938	11,682

Source: Bureau of Economic Analysis, UALR

LABOR FORCE/EMPLOYMENT

The following table sets forth the annual employment statistics for the United States, the State of Arkansas, the Fayetteville-Springdale MSA, and the City of Fayetteville.

		United States	Arkansas	Fay.-Spr. MSA	Fayetteville
1988	employment	114,968	1,037	59.0	N/A
	unemployment	6,701	86	2.6	N/A
	%	5.5	7.7	4.3	4.5
1987	employment	112,440	1,002	55.2	N/A
	unemployment	7,425	88	2.4	N/A
	%	7.0	8.8	4.8	4.3
1986	employment	109,597	979	52.3	N/A
	unemployment	8,237	94	2.6	N/A
	%	7.0	8.8	4.8	5.0
1985	employment	107,150	961	50.7	N/A
	unemployment	8,312	91	2.4	N/A
	%	7.2	8.7	4.5	4.7
1984	employment	105,005	948	49.5	N/A
	unemployment	8,539	93	2.7	N/A
	%	7.5	8.9	5.1	5.4
1983	employment	100,834	924	47.7	N/A
	unemployment	10,717	104	3.1	N/A
	%	9.6	10.1	6.1	6.5
1982	employment	99,526	925	47.2	N/A
	unemployment	10,678	100	3.0	N/A
	%	9.7	9.8	5.9	6.2
1981	employment	100,397	939	47.2	N/A
	unemployment	8,273	94	2.8	N/A
	%	7.6	9.1	5.6	5.9
1980	employment	99,303	924	45.6	N/A
	unemployment	7,637	76	3.0	N/A
	%	7.1	7.6	6.2	6.5

Note: Employment and unemployment figures are presented in thousands (000's).

The table below sets forth the unemployment rates for the State of Arkansas and the state's four MSA's during the 1980's.

	Arkansas	LR-NLR	Pine Bluff	Fort Smith	Fay.-Spr.
1980	7.6	5.7	6.3	9.0	6.2
1981	9.1	7.6	10.0	9.0	5.6
1982	9.8	7.8	10.3	10.5	5.9
1983	10.1	8.0	11.3	9.8	6.1
1984	8.9	6.9	9.9	8.1	5.1
1985	8.7	6.3	9.2	7.8	4.5
1986	8.8	6.9	8.3	7.3	4.8
1987	8.1	7.1	9.1	6.1	4.1
1988	7.7	6.4	8.3	6.7	4.3

Source: Arkansas, Employment Security Division

The following table depicts the unemployment rates during the 1980's for the Fayetteville-Springdale MSA and five MSA's of comparative size in the same geographic region outside the State of Arkansas.

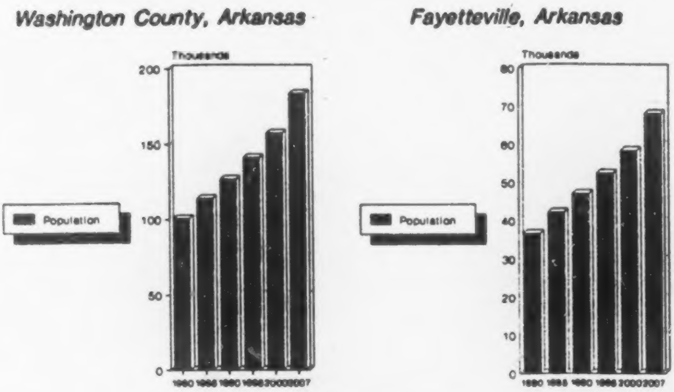
	Olathe	Hattiesburg	Jeff. City	Stillwater	Killeen	Fay.-Spr.
1980	3.7	5.1	5.5	5.4	7.5	6.2
1981	3.6	6.1	5.7	2.6	7.1	5.6
1982	4.3	9.2	7.3	4.2	6.5	5.9
1983	4.0	10.7	7.9	6.5	6.2	6.1
1984	3.2	9.0	6.5	4.7	5.0	5.1
1985	2.7	8.5	5.5	4.4	6.8	4.5
1986	2.6	10.0	4.6	5.3	7.7	4.8
1987	2.9	8.1	4.8	4.8	7.8	4.1
1988	3.1	6.1	4.6	4.2	7.5	4.3

Source: Bureau of Economic Analysis, UALR

Appendix B

GENERAL FAYETTEVILLE DATA

POPULATION PROJECTIONS

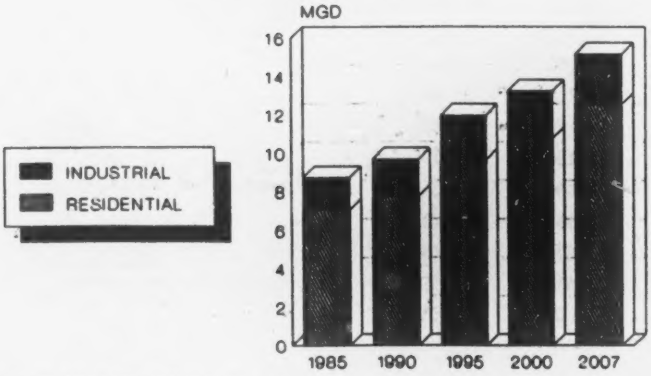


Source: Beaver Water District -
MASTER PLANNING STUDY (1987)

As a starting point for predicting the future populations of Fayetteville and Washington County, the historical growth that occurred between 1960 and 1980 was utilized to develop a population window. The absolute, or arithmetic, growth rates were used to predict the low side of the window and the percent growth rates were used to predict the high side, based upon a geometric projection.

To narrow these windows, interviews were held with key individuals in the public and private sectors. Based on the information collected during these interviews, the population projections for Fayetteville and Washington County were developed.

City of Fayetteville
Water Use Projections
Average Daily Flow



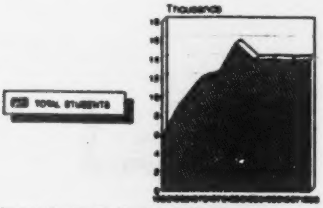
Source: Beaver Water District -
MASTER PLANNING STUDY (19[illegible]7)

Water for the Fayetteville area is supplied by the Beaver Water District, which negotiates with the U.S. Army Corps of Engineers for the purchase of up to 120 million gallons per day of water from the 1,600,000 acre-foot reservoir. In an effort to anticipate future needs to expand or improve existing facilities, water demands were projected into the 21st century.

The projection of future water demands for Beaver Water District is based on historical per-capita water consumption and industrial water use. Based on this criteria, average day demands are projected for the years 1990, 1995, 2000, and 2007.

University of Arkansas -
Fayetteville Campus Fall Enrollment

Year	Total Students	Percent Change
1960	5,862	
1965	9,298	58.6%
1970	11,709	25.9%
1975	12,254	4.7%
1980	15,604	27.3%
1985	13,887	(11.0%)
1986	13,976	.6%
1987	13,856	(.9%)
1988	14,000	1.0%



Source: Fayetteville Chamber of Commerce

Major Fayetteville Manufacturers and Processors

Firm	Employees	% M/F	% Minority	Sq. Ft.	Union
Campbell Soup	1080	50/50	5.7	275,000	yes
Mexican Original	561	45/55	9.4	97,000	no
Levi Strauss Co.	402	8/92	6.9	81,000	yes
Superior Industries	350	n/a	n/a	170,000	no
Standard Register	322	77/23	4.8	149,000	yes
Tyson's Entree Div.	250	20/80	20.0	300,000	no
Baldwin Piano & Organ	215	20/80	5.0	260,000	no
Arka/Cola, Inc.	214	62/38	0.0	110,000	no
Kearney Corp.	186	52/48	3.8	130,000	yes
Elkhart	162	94/6	0.1	104,400	no
American Air Filter	160	50/50	1.8	175,000	no
Marshalltown Tools	135	59/41	1.5	82,600	no
Armstrong Bros. Tool	89	74/25	2.0	47,000	yes
Shipley Baking Co.	87	90/10	1.0	20,109	yes
Hiland Dairy	67	92/8	1.0	30,000	no

UTILITY GROWTH STATISTICS

ARKANSAS WESTERN GAS CO. - Consumption = MCF (Thousand cu. ft.)

Year	Meters	Residential	Commercial	Industrial	Total
1983	12,193	1,047,842	837,432	1,068,623	2,953,897
1984	12,363	1,112,571	830,617	1,288,017	3,231,205
1985	12,545	1,031,636	779,575	1,344,850	3,156,061
1986	12,777	951,578	713,208	1,250,244	2,915,030
1987	13,122	1,000,319	724,346	1,318,206	3,042,871

SOUTHWESTERN ELECTRIC POWER CO. - Consumption = KWH (Kilowatt Hours)

Year	Meters	Residential	Commercial	Industrial	Total
1983	13,712	91,198,070	96,606,101	118,666,288	306,470,459
1984	16,231	92,434,143	104,021,533	136,839,026	333,294,702
1985	16,824	97,082,013	112,640,320	143,424,282	353,146,615
1986	18,501	100,930,888	116,039,697	148,512,200	365,501,286
1987	19,452	106,896,530	117,707,782	159,050,501	383,654,813

OZARKS ELECTRIC COOPERATIVE CORP. - Consumption = KWH

Year	Members	Residential	Commercial	Industrial	Total
1983	30,058	279,626,780	6,707,889	68,025,846	354,360,515
1984	30,858	284,508,001	6,770,184	73,684,780	375,105,098
1985	31,590	299,010,217	7,501,820	72,120,382	389,266,898
1986	32,474	309,338,915	7,257,629	81,460,218	407,906,186
1987	33,330	326,342,238	13,640,091	98,573,439	438,555,768

SOUTHWESTERN BELL TELEPHONE CO. - Number of Company Access Lines

Year	Fayetteville	Springdale	Bentonville	Rogers
1983	21,511	14,630	8,326	13,124
1984	22,159	15,343	8,814	13,730
1985	22,298	15,837	9,298	14,478
1986	24,777	17,667	11,446	14,782
1987	25,229	18,366	10,661	15,171

CITY OF FAYETTEVILLE - Water Department

Year	Meters	Peak Usage-GPD	Total Consumption
1983	13,700	13,100,000	2,889,000,000
1984	14,500	12,400,000	3,140,000,000
1985	15,370	14,200,000	3,187,000,000
1986	16,674	14,600,000	3,233,110,000
1987	17,207	15,200,000	3,381,560,000

Source: Fayetteville, Chamber of Commerce

LABOR STATISTICS - FAYETTEVILLE/SPRINGDALE MSA

CLASSIFICATION	Number of Workers		Net Change
	10-88	10-87	1987-88
Total Non-Agricultural Emp.	51,200	49,300	+1,900
Manufacturing	12,600	12,300	+ 300
Durable Goods	4,600	4,300	+ 300
Primary Metals & Metal Working Industries	3,800	3,200	+ 600
Other Durable Goods	800	1,100	- 300
Nondurable Goods	8,000	8,000	0
Food & Kindred Products	6,500	6,600	- 100
Other Nondurable Goods	1,500	1,400	+ 100
Non-Manufacturing	38,600	37,000	+1,600
Construction	1,900	2,000	- 100
Transportation & Utilities (except Postal Service)	5,300	4,500	+ 800
Trade	11,700	11,100	+ 600
Wholesale Trade	2,100	2,000	+ 100
Retail Trade	9,600	9,100	+ 500
Finance, Insurance & RE	1,400	1,600	- 200
Services	7,500	7,200	+ 300
Government	10,800	10,600	+ 200
Federal	900	1,000	- 100
State & Local	9,900	9,600	+ 300
State	5,600	5,500	+ 100
Local	4,300	4,100	+ 200
Agricultural Employment	2,875	2,925	- 50
Domestic Service, Self-Employed and Unpaid Family Workers	4,875	4,900	- 25

Source: Fayetteville, Chamber of Commerce

SALES TAX REVENUES

	1987	% Change 1987-1986	1988	% Change 1988-1987
COUNTY TAX-CITY SHARE				
January	265,059	+31.8%	311,797	+17.6%
February	297,437	+ 4.0%	303,355	+ 2.0%
March	246,189	+ 4.9%	242,664	- 1.4%
April	228,383	+ 9.1%	253,948	+11.2%
May	235,917	- 5.3%	273,974	+16.1%
June	247,441	+ 2.3%	274,613	+11.0%
July	258,408	+ 6.5%	261,848	+ 1.3%
August	256,894	+ .2%	300,170	+16.8%
September	254,795	- 1.5%	276,987	+ 8.7%
October	276,723	+ 3.0%	292,596	+ 5.7%
November	276,691	+11.2%	281,465	+ 1.7%
December	234,670	- 4.[illegible]%	275,705	+17.5%
Totals	3,078,607	+ 4.6%	3,349,121	+ 8.8%
CITY TAX				
January	365,018	+29.1%	395,320	+ 8.3%
February	409,724	- 5.8%	423,209	+ 3.3%
March	331,063	+ 7.3%	336,553	+ 1.7%
April	287,742	+ 7.4%	326,114	+13.3%
May	343,175	+ 5.8%	334,484	- 2.5%
June	341,632	+14.1%	358,201	+ 4.8%
July	355,063	+ 6.1%	330,815	- 6.8%
August	333,920	+ 7.8%	410,972	+23.1%
September	328,035	+ 1.5%	362,941	+10.6%
October	393,085	+16.2%	372,177	- 5.3%
November	352,281	+ 1.8%	358,107	+ 1.7%
December	302,404	- 6.1%	374,132	+23.7%
Totals	4,143,142	+ 6.4%	4,383,024	+ 5.8%

SALES TAX GROWTH

	% Change County Tax-City Share	% Change City Tax
1982	--	--
1983	+18.0%	--
1984	+13.3%	+17.9%
1985	+ 7.1%	+17.9%
1986	+ 8.6%	+ 4.2%
1987	+ 4.6%	+ 6.4%
1988	+ 8.8%	+ 5.8%

Note: The City tax has a $25 cap. The City tax began in January, 1984.

Source: Fayetteville, Chamber of Commerce

RETAIL SALES BY STORE GROUP

	Fayv./Spgd. MSA*	Northwest Arkansas	MSA % of N.W. Ark.
	(add 000)	(add 000)	
Food Stores Total	$ 147,498	$ 294,141	50.2%
Super Markets	144,076	286,830	50.2
Eating/Drinking Places	60,635	92,770	65.4
General Mdse. Total	132,392	202,188	65.5
Department Stores	124,425	185,294	67.2
Apparel/Accessories	27,279	42,711	63.4
Furniture/Appliance Total	26,018	51,773	50.3
Furniture/Home Furnishings	14,423	31,039	40.5
Automotive Dealers	128,886	227,231	56.7
Gasoline Service Stations	35,292	68,633	51.4
Building Material/Hardware	57,870	118,082	49.0
Drug Stores	14,329	25,815	55.5
Total Retail Sales	692,830	1,223,531	56.7
Population	109,100	234,400	46.6

* Includes all of Washington County

Source: Sales Management Data Service, 1988

CITY OF FAYETTEVILLE, ARKANSAS
PRINCIPAL TAXPAYERS
December 31, 1989

Taxpayers	Type of business	1989 assessed Valuation	% of total assessed Valuation
Tri-State Joint Venture	Real Estate Management	$3,775,200	1.52
Lindsey, James	Real Estate	2,770,420	1.11
Lazenby, W. A.	Real Estate	1,740,865	.70
University Hilton	Hotel	1,619,520	.65
First National Bank	Banking	1,555,980	.63
Sweetser, Jerry	Real Estate	1,464,730	.59
Campbell Soup Company	Food Processing	1,322,600	.53
Raspberry, M. O.	Real Estate	1,083,980	.44
Southwestern Bell Telephone	Utility	732,145	.30
First South Federal Savings	Banking	600,000	.24

Llama
Company

September 6, 1990

Committee on Public Works and Transportation
U.S. House of Representatives

Chairman Anderson and Distinguished Members:

Thank you for the opportunity to make comments about Northwest Arkansas and the pressing need to develop an improved highway and aviation system of infrastructure which will support and sustain the future growth of Northwest Arkansas.

Northwest Arkansas, the Third Congressional District of Arkansas, a multi-billion dollar economic hub of production and distribution at the population center trendline of the United States, has experienced profound population and economic growth over the past 30 years. Northwest Arkansas is one of the largest centers of population in America which does not have a four-lane link to the Interstate System or an adequate airport facility to meet the region's needs. In spite of those infrastructure deficiencies, two counties of the region, Benton and Washington, have seen their population grow 129 per cent since 1960.

According to the preliminary 1990 census figures, these two counties of Northwest Arkansas had a population growth over the past ten years which accounted for almost 64 per cent of Arkansas' total population increase during the period from 1980 to 1990, a rate of growth which is more than 8 times the state average.

The economic well-being of Northwest Arkansas mirrors the growth in population as evidenced by almost a 16 times increase in property tax assessments during the last 25 years and almost a 2,000 per cent increase in bank deposits during the same period.

Looking forward, the future looks equally bright, as some early projections call for the two-county area to almost double again over the next two decades as the region continues its economic growth.

However, without an improved highway system and an adequate airport, the future growth and economic prosperity of Northwest Arkansas could well be jeopardized. We need to build a Mid-America Reliever Airport, much like Alliance Airport near Dallas, in Northwest Arkansas. Such a facility would not only provide us with a safe, dependable link to the Nation's aviation system, but it would be an economical method of helping solve the overcrowding and congestion of air space, airports and ground access facilities at the major Mid-American hub airports.

One McIlroy Plaza • Suite 302 • Fayetteville, Arkansas 72701 • (501) 444-4000 • FAX # 444-4018

September 6, 1990
Page 2

We also desperately need direct four-lane access to the Interstate Highway System, both along U.S. 412 to Interstate 44 at Tulsa and U. S. 71 to I-40 on the south and Interstate 44 on the north.

We believe that the needs of Northwest Arkansas for an improved transportation system is of national scope and meets the funding and programmatic criteria for development. We would appreciate your favorable consideration of our request.

Sincerely,

Alice L Walton

Alice L. Walton
Chairperson and President

ALW:ws

WAL-MART

WAL-MART STORES, INC.
CORPORATE OFFICES
BENTONVILLE, ARKANSAS 72716-00001

Sam M. Walton
Chairman of the Board
(501) 273-4210

September 6, 1990

Committee on Public Works and Transportation
U.S. House of Representatives

The Honorable Glenn M. Anderson, Chairman

As you know, our area of the state here in Northwest Arkansas is on the brink of emerging into the center of business and commerce for the entire Southwest. Recent census figures have proven the growth in population. Increase in traffic, not only from those who visit our area but those travelling through to other destinations, has put a strain on our highway network. Air traffic has increased to the point of questionable safety. These matters need to be addressed and resolved as quickly as possible.

When our Company was formed 30 years ago in this small community of Bentonville, we certainly did not envision the growth we have experienced. We currently have approximately 7,500 associates residing in Benton and Washington counties and expect that number to swell as we expand our store operations to meet the needs of the population movement. Our Wal-Mart trucks travelling daily in and out of the Bentonville area number approximately 175 and we rely, as well, on a number of outside sources for shipment of our goods. We also have a number of vehicles delivering processed film and servicing our various facilities.

The vendors who supply our retail stores with their merchandise routinely fly into our area to conduct business. They represent some 25 billion dollars worth of goods that are supplied through our distribution system. They use our airports and other means of getting in and out of the Bentonville area. Many of our management folks also require the use of commercial conveyance and this will continue to grow.

Our Oklahoma neighbors, Governor Belmon, and business friends who have reason to use the Tulsa transportation facilities have seen the need for an improved highway system into our area and are already responding . We feel compelled to join them in their efforts to make our program more successful.

Industries have been planned for Northwest Arkansas which will ultimately require additional services. With the changes we can expect, we must be prepared. We owe the best we can provide to the citizens of Arkansas.

Very truly yours,

Sam M Walton

Sam M. Walton

SW/jbc/0906/011

TESTIMONY OF J. RANDY YOUNG, P.E.

Executive Director, Arkansas Soil and Water
Conservation Commission
United States House of Representatives
Before the
Committee on Public Works and Transportation
Future of Our Nation's Infrastructure Needs:
Northwest Arkansas
Springdale Holiday Inn
Springdale, Arkansas
September 8, 1990

J. Randy Young, P.E. is Executive Director and Secretary of the Arkansas Soil and Water Conservation Commission ("Commission"). This agency establishes policy and makes funding and regulatory decisions relative to soil conservation, non-point source pollution, water rights, dam safety, water resources planning and development, and floodplain management.

Mr. Young serves as a member of the Arkansas Pollution Control and Ecology Commission that oversees the Arkansas Department of Pollution Control & Ecology ("ADPCE"), the state's air, water, hazardous waste, solid waste, and mine reclamation agency. Mr. Young also serves as a member of the Arkansas-Oklahoma Arkansas River Compact Commission and the Red River Compact Commission. These commissions deal with water rights and water quality on interstate streams between Arkansas and neighboring states. Mr. Young is also Chairman of the Arkansas Water Well Construction Commission and a member of the Advisory Committee to the Arkansas Scenic River Commission.

I welcome this opportunity to present testimony concerning the future infrastructure needs of Arkansas, especially Northwest Arkansas.

First, I would like to discuss water quality, an area that is not traditionally considered "infrastructure". Failure to implement good water quality management policies will result in the decline in the quality of life for residents of Northwest Arkansas. Secondly, I would like to discuss traditional infrastructure needs in the area of flood control, municipal/domestic water supplies, sewage treatment and disposal, and solid waste disposal.

I. Water Quality.

A. Non-Point Source Water Quality

The Commission has recently been assigned the responsibility of the Section 319 program of the Clean

Water Act for non-point water quality by Governor Bill Clinton. The availability of good quality municipal water for processing of food products has attributed to growth in Northwest Arkansas. The area leads the nation in raising confined birds (broilers and turkeys). A major concern deals with non-point pollution and the proper disposal of the wastes produced by the animals. Also, the Commission has targeted this area for the first expenditure of Section 319 funds. This effort will concentrate on the monitoring of streams to determine the effectiveness of voluntary Best Management Practices. I would recommend that increased cost-share assistance be made available through USDA Agricultural Stabilization and Conservation Service and that the federal participation under the Section 319 program be increased from the current 60/40 federal/local to 75/25.

The Commission and the U.S. Army Corps of Engineers ("Corps") - Little Rock District are in the process of completing negotiations of a local cost-share agreement concerning the Beaver Lake Study. The purpose of the study is to monitor the quality of water in Beaver Lake as Best Management Practices for animal waste disposal are implemented. Also, the lake is the subject of a Clean Lakes Study by the Environmental Protection Agency ("EPA"), ADPCE, and the Commission. A major concern of the Commission was to structure these studies to insure that information would be interchanged and no duplication of effort would occur. We have identified several other lakes, such as Lincoln Lake and Lake Francis, where a study would be beneficial. I would request that the Committee insure that adequate funding be made available for these studies and that any recommendation made be implemented.

Northwest Arkansas is not blessed with abundant ground water. The water that is available is of poor quality. A major concern is the recent findings that indicated some of the ground water used in municipal water systems has unacceptable levels of radium. A cooperative effort involving several state and federal agencies is underway to try to determine the source of radium and what can be done to help the many small communities in Northwest Arkansas that depend upon ground water for drinking water supplies. Other activities in this area include the hydrologic study of the shallow aquifers of Northwest Arkansas, which is a cooperative effort including the U.S. Geological Survey ("USGS"), the Commission, and the local Conservation Districts. The USGS is also beginning a National Water-Quality Assessment Program ("NAWQA") for the Northwestern Arkansas area. I would recommend that funding for this study, as well as assistance for resolving the problem be made available.

B. Section 404 of Clean Water Act

With recent inclusion of wetlands under the Clean Water Act, definition of waters of the United States has greatly increased the importance of Section 404 permits in the construction infrastructure. President Bush's "no-net loss" wetlands policy has confused the area further. As the Clean Water Act is re-authorized, it is necessary that Congress address what wetlands are and what actions we are willing to take to protect wetlands. I believe that it would be in the national interest to concentrate wetlands protection on the highest quality wetlands, while exempting converted wetlands currently in agricultural production from Section 404 permitting requirements. Programs such as the Conservation Reserve Program should be considered to protect wetlands. In the case of the highest quality, out right purchase in fee, simple or permanent easement should be considered. I think programs such as these will help reduce the landowner's concern that the current program is a "taking without just compensation".

In the mean time, I would suggest the following as methods to increase the effectiveness of current programs:

(1) Insure that the Corps offices have necessary staff to timely process the applications.

(2) Let applicant know what is required of him as early as possible in the permit process.

(3) Use existing Conservation Districts, USDA Soil Conservation Service ("SCS"), and state university cooperative extension offices to assist getting information to the public. Have those personnel knowledgeable of Corps program and able to assist in making permit applications.

(4) Develop "nationwide" permits to reduce work load and time to issue permits on such activities as wastewater treatment lagoons.

II. Traditional Infrastructure.

A. Flood Control/Drainage

The requirement of local cost-share on water development projects make needed flood control/drainage projects very burdensome on local interests trying to develop the needed improvement. Many water development projects cannot be built or must be significantly scaled back because of the local cost-share requirements.

The Water Resources Development Act of 1986 required the local cost-sharing of water development projects with the philosophy that the local sponsor would be a full partner in any decisions with respect to the project. My experience as a project sponsor in negotiating a local cooperation agreement for the construction phase has not reflected full partner status. I would submit that cost-sharing requires a commitment to shared decision-making as well. Local sponsors must be regarded as full partners in the study, design, and construction of water resource projects if they are required to finance in part or full the costs of such projects.

Projects being impacted by this requirement within the State of Arkansas include: *Fourche Bayou Flood Control Project* in Little Rock/Pulaski County ($11,162,000 non-federal); *Eight Mile Creek Flood Control Project* in Paragould/Greene County ($4,914,000 non-federal); *Dark Hollow Flood Control Project* in North Little Rock/Pulaski County ($4,110,000 non-federal); and, *Ten and Fifteen Mile Bayous Flood Control Project* in West Memphis/Crittenden County ($13,500,000 non-federal). Many small watershed and water quality projects are also being impacted.

It would be my recommendation that the fifty percent (50%) cost-share requirement be eliminated or reduced within the state. These projects undertaken by the Corps and SCS offer a great opportunity to improve the quality of life within Northwest Arkansas by reducing flooding and improving drainage.

B. Water Supply

It has been estimated that over 400,000 Arkansans still do not have access to an approved public water supply. Dr. Joycelyn Elders, Director of the Arkansas Department of Health, has stated, "One of the most important things that the Arkansas Department of Health can do to improve public health is to insure the availability of a clean, safe public water supply." At this time, there are approximately $93,000,000 in requests for financial assistance for development of rural water supply and distribution facilities on file with the Farmers Home Administration. At best, under current levels of funding, state and federal agencies will be able to provide less than half of the need.

Additionally, most of the assistance available from these sources is in the form of loans. A typical project may have a total cost of $400,000 to serve 100 homes. Using funds from the Arkansas Water Resources Development General Obligation Bond Program, with no grant, the monthly water bill will average $39.00.

To help relieve this problem, I would recommend that levels of assistance to the state through the Farmers Home Administration's Community Development Program and Department of Housing and Urban Developments Small Cities Program be increased. Also, recent tax codes have made it much more difficult and expensive for localities within Northwest Arkansas to raise funds using tax-exempt financing. The arbitrage and rebate requirements have placed an accounting burden on local governments. I recommend that the Committee review the current arbitrage requirements and consider raising the current $5,000,000 issue exemption.

C. Wastewater Treatment/Sewage Disposal

Clean water is essential to the continued development of Northwest Arkansas, but the cost of clean water has become a burden. One hundred and forty-six (146) entities in Arkansas have expired NPDES permits with 35 such entities located in Northwest Arkansas. These communities must make substantial improvement to comply with new permit standards. At the same time, EPA Construction Grants have been phased out and replaced by a revolving loan program with many federal requirements that add additional costs.

The burden imposed by water quality needs can be demonstrated by the following example: *A typical community in the state may require sewage treatment improvements with costs exceeding $2,000,000. With EPA grant funding, as in the past, the average monthly household sewer fee would be $20.00. With the Revolving Loan Funds, the monthly fee would be $32.00, and with a revenue bond issue $37.00.*

It should be noted that many areas within Northwest Arkansas are not sewered. To improve the quality of life and encourage development in the state, it will be necessary to develop a sewer system and to properly treat the waste collected. The ADPCE has estimated that the present day costs to build sewer collection systems in non-sewered areas and to bring sewage treatment levels to the current standards would cost in excess of $500,000,000.

It would be my recommendation that additional grant funds for wastewater collection and treatment be made available, that tax laws be reviewed for the impact on localities using tax-exempt financing and that Title II requirements under the EPA's revolving loan fund be relaxed so that localities might economically construct improvements under that program.

D. Solid Waste Disposal

Proper disposal of solid waste is essential to continued development of Northwest Arkansas and the state in general and is essential to prevent contamination of groundwater. However, the cost of solid waste disposal either by landfill, composting or recycling has escalated to the point of becoming a tremendous burden. In addition, the karst geology of Northwest Arkansas makes disposal of solid waste and animal waste by landfilling difficult and expensive due to the danger of pollution of the shallow ground water and surface water in the area.

Out of the seventy-five counties in the state, eighteen counties have no landfill at all, forty counties have landfills with less than five-years capacity remaining and fourteen counties have closure plans for their present landfills. Recent legislation has established eight solid waste districts over the state for the purpose of addressing solid waste needs on a regional basis. The intent of this legislation is to create cooperation of rural towns and counties for proper disposal of solid waste in the most economical manner. The economical burden imposed by proper disposal of solid waste will result in costs of household garbage fees in the range of $6.00 per month being raised to $15.00-$16.00 per month. It is anticipated that some of the costs can be eliminated by establishing markets for recyclable materials. ADPCE has prepared a rough estimate of solid waste needs statewide of $240,000,000-$320,000,000 based on anticipated changes to federal regulations. Studies are presently being made to more accurately determine the overall needs and associated costs.

It should be noted that proper disposal of solid waste within Northwest Arkansas may require more recycling, composting and incineration to eliminate shallow ground water pollution.

It would be my recommendation that additional grant funds be made available not only for regional study of needs but construction of facilities and purchase of waste handling equipment as well. Also, tax laws should be reviewed for the economic impact on local and county governments that desire to utilize tax-exempt financing.

Respectfully submitted,

J. Randy Young, P.E.
Executive Director & Secretary
Arkansas Soil and Water
Conservation Commission
One Capitol Mall, Suite 2D
Little Rock, Arkansas 72201
(501) 682-1611

CHAIRMAN ANDERSON AND MEMBERS OF THE COMMITTEE

My name is Robert A. Young. I am President and Chief Executive Officer of Arkansas Best Corporation and its primary subsidiary, ABF Freight System, Inc., headquartered in Fort Smith, Arkansas.

ABF is a common carrier of general freight specializing in shipments weighing less than 10,000 pounds, or less than truckload (LTL) freight. ABF revenues for 1989 were more than $630,000,000 and we ran more than 200 million miles last year. We are currently averaging about 20 million miles a month or almost 1 million miles a day. We have 316 terminals located in all 50 states, Puerto Rico, and in five provinces of Canada. ABF employs about 10,000 people.

My primary interest is, as you might have guessed, in the repair and expansion of our highways.

Our nation's highways are the vital link that allows the movement of 85 percent of all furniture, fixtures, and appliances to market. In addition, 80 percent of all food, rubber products, and plastic goods produced in the USA move by truck. Over 70 percent of all lumber and wood products and an equal amount of steel, sheet metal, cable, wire, pipes, and rods move over our nation's highways.

In Arkansas, we have the communities of Almond, Tomato, Strawberry, Grapevine, and Appletown to whet your appetite. We also have towns named Ben Hur, Pocahontas, Jefferson, Lincoln, Madison, and St. Francis. Right here in Arkansas you can visit Atlanta, Boston, Cleveland, Bismarck, Hollywood, Austin, Houston, Denver, Salem, and West Point. These communities all have one thing in common. They are all served daily by truck. Trucks serve all communities in the United States and two-thirds are served only by truck.

When one considers that most of America is dependent on truck transportation, it is a bit disturbing to learn that 60 percent of the miles of paved highways in the U.S. need some form of surface rehabilitation. More than 40 percent of U.S. bridges over 20 feet long are either structurally deficient or functionally obsolete. Most of us are aware of the serious congestion in our urban areas.

It has been estimated that by the year 2005 traffic delays caused by inadequate roads will cost the U.S. $50 billion a year in lost productivity and wasted fuel.

The impact of inadequate highways here in Arkansas is substantial. Narrow, two-lane, twisting, turning federal highways are the only route into the Fayetteville, Springdale, and Rogers area from Fort Smith. This corridor is the fastest growing part of the state. By-in-large, most of the state's highways are narrow, two-lane, twisting, turning roads with dangerously narrow bridges.

As a substantial user of the nation's highways, I would like to see the following happen:

1. More interstate highway miles should be authorized. Right now there are 4,400,000 miles of highways nationwide and the 155,000 miles of interstates carry 45 percent of the traffic. Only 3.5 percent of the total highway miles carry 45 percent of the traffic.

2. Spend the money now available in the Highway Trust Fund to repair existing highways and bridges.

3. Gradually triple the amount of money being spent on highway research so that with new construction we get longer lasting pavement. I am told that two inches of additional thickness in concrete pavement would double its lifespan and add only 3 percent of the cost of a new highway. Spending more on the front end could reduce the never ending, inconvenient, and dangerous repair of our highways. We need research to tell us how. We should consider setting up ten different research centers, each governed by a board composed of representatives of five different state highway departments. Research done by these ten geographically dispursed research centers could focus on different soil types and different climate factors that affect highway construction techniques and longevity of the pavement.

4. Once we begin to reduce the growing balance of the Highway Trust Fund, a planned gradual increase in highway fuel taxes should be considered for new construction. As has been shown recently in several states,

highway users will willingly pay more fuel taxes if we know it will result in better, less congested roads. Because highways take us from state to state, it is appropriate for our federal government to provide the leadership, matching dollars, and oversight for an expanded national system of safe, productive highways.

If our industry is to compete effectively in a worldwide marketplace, our far-flung nation must have safe, efficient, convenient transportation.

Thank you.

zaew

Arkansas Association of Conservation Districts

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[illegible]
[illegible]

September7,1990

Committee on Public Works and Transportation
One Hundred First Congress
U.S. House of Representatives
Glenn M. Anderson, Chairman
Washington, DC 20515

Dear Mr. Anderson:

The Northwest area is recognized as the most rapid growing region in Arkansas. Much of the growth is attributed to the livestock and poultry industries.

For some time Arkansas has led the nation in the production of broiler chickens and ranks near the top in number of swine, turkeys, eggs, and beef.

The terrain of this area produces a rapid runoff that flows into high quality streams, rivers and lakes. The numerous water bodies that lie within the region provide water for domestic use, industrial supplies, recreation, and livestock. With respect to nitrates and the presence of fecal bacteria, some private domestic use wells are exceeding current Arkansas Health Department standards.

The Beaver Lakes Demonstration Project is an example of the many groups and government agencies joined with farmers to put forth programs that will reduce the non-point source water pollution coming from agricultural operations in the various watersheds. Table Rock Lake Watershed is now experiencing many of the same problems. These problems can be effectively reduced with additional technical and financial assistance.

It is evident when looking at the production figures in Northwest Arkansas, that animal wastes and their disposition are becoming increasingly important in the overall picture of agriculture.

A continuing partnership of all those involved in resource management will be needed to address and deal with the water quality issues and economic development needs of Northwest Arkansas.

We at the Arkansas Association of Conservation Districts support the continued funding of ongoing projects and ask that the level of support you have shown in the past be continued.

C H Brown

C. H. Brown, President
Arkansas Association of Conservation Districts

STATE OF ARKANSAS
Arkansas Senate

GENERAL ASSEMBLY
LITTLE ROCK, ARKANSAS 72201

JOE E. YATES
Senator, 1st District
Benton County
1812 Clark
BENTONVILLE, ARKANSAS 72712

COMMITTEES
Revenue and Taxation
State Agencies and
Governmental Affairs

To: Committee on Public Works and Transportation

Thank you for the opportunity to present my thoughts on the needs of our infrastructure here in Northwest Arkansas.

Benton and Washington Counties are a core area in the Western Ozark area and, as the preliminary census shows, we have grown at a very substantial rate. While many places in the U.S. have experienced this same fact, they have in most cases been linked to Interstate Systems.

Currently, this area moves an enormous amount of foodstuffs to the domestic as well as the foreign markets. By the very nature of the product it must move by truck and there is an inadequate highway system for this activity.

Another factor in highway upgrades or new construction is in relation to the military activities at Fort Chaffee. The Interstate System was originally conceived as a system of military roads in the event we ever needed mass troop and equipment movement. While we have been blessed to not have to use the system in a major crisis, there are still a large number of military convoys that enter Fort Chaffee from the north on a totally inadequate roadway.

When U.S.71 is eventually brought to Interstate standards, many trucks will find it safer to route through Ft. Smith on their movement westward. Please consider the excess fuel usage that could be abated by completing a link from Springdale to Siloam Springs, Ark. which would allow a safe passage for thousands of trucks entering and leaving this area and thereby reducing the need to go 60 to 80 miles out of their way on a westward trip.

Another factor I would like to see considered is a change in Federal Law that would allow the building of toll roads without having to maintain a free road in close proximity and allow Highway Trust Funds to be used on toll road construction.

Thank you for your attention

Sen. Joe E Yates

WRITTEN COMMENTS

SUBMITTED TO

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

ON

FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

By

Kenneth F. Steele
Director
Arkansas Water Resources Research Center
113 Ozark Hall
University of Arkansas
Fayetteville, AR 72701

I attended the hearing held in Springdale, Arkansas on September 8, 1990 and am submitting these written comments because of the Committee's interest in our water resources.

The testimony at the meeting on water resources receives my support. However, there seemed to be a major gap in the testimony concerning research. My definition of research includes applied research that can be used in decision-making. Several persons (Messrs. Starr, Young and Mitchell and General Genega) made comments concerning the protection of our surface and ground water from pollution. Much of the potential contamination of our rural water is from agricultural activities (nonpoint source contamination), especially animal wastes. We need research to determine the degree that best management practices (BMP's) effect water quality. Site conditions, e.g. type and amount of vegetation, slope, geology, soil and meteorological, can change the effect of BMP's on water quality. The government has supplied some funding for this type of research (e.g. Beaver Lake Study by U.S. Corps of Engineers and Arkansas Soil and Water Conservation Commission, and Clean Lakes Study of Beaver Lake). These types of studies need to be continued and funding increased in the future. It is important that we provide funds to protect our water supplies rather than to attempt costly remediation programs.

We do not know enough about the ground resources of our state and this is especially true for northern Arkansas. We need to know more about the entry of surface water into the ground water system (recharge) and chemical changes in the water as it moves through the soil and rock. We need to know what happens to hazardous chemicals that may be spilled along highways and railways. Which direction is the ground water, and therefore the chemical, moving?

Which wells will be affected? This same type of information will be useful in locating solid wastes facilities and industries that utilize hazardous chemicals. This basic information would be useful in emergency response to toxic releases. Also detailed information on ground water quantity is critical for planning. At the moment this type of information is not available, thus planning is made somewhat in a vacuum.

There are problems associated with some of the deep ground water wells in northern Arkansas. Although these wells provide large quantities of water suitable for small communities, they often contain radium values from natural sources that exceed U.S. Environmental Protection Agency drinking water maximum contamination limits. These wells are expensive to drill. Research could delineate the depth and areal extent of the radium contamination.

In summary, continued and expanded funding of nonpoint-source water quality studies (including research) are necessary to protect surface and ground water from contamination. Basic research on the hydrology of a region will provide information that is critical for planning. Development of the best water supply systems and protection of these supplies require knowledge of both surface and ground water quantities, qualities and movement. The Federal Government's contribution to studies to gain this type of information is critical, especially to Arkansas. The State supplies some funding, but Arkansas finds it difficult to obtain the matching funds necessary to obtain the Federal dollars much less providing additional State funding.

James H. Phillips
Exec. Director
Phone: 501-682-1173

Commissioners

Robert H. Parker, At Large
Eunice Platt, Ouachita River
James Walden, Mississippi River
James R. Nipper, Red River
Charles D. Maynard, At Large
Ralph Mc Donald, Jr., White River
W.E. Ayres, Arkansas River

Arkansas Waterways Commission
1515 West Seventh Street, Suite 505
Little Rock, Arkansas 72201

August 27, 1990

Honorable John P. Hammerschmidt
U. S. Representative
2207 Rayburn Building
Washington, D. C. 20515

Dear Congressman Hammerschmidt:

I am truly sorry that my schedule would not allow me to testify at your hearing in Springdale on September 8, 1990. Your aide, Bob Bergman, stated however that I should write my comments and have them read and recorded at the Springdale hearing.

It is requested that the attached letter to BG Lee be made a part of your September 8, 1990 record. I believe that this letter, and the speech which I gave in Dallas on June 28 (a component of the letter), will help to explain to you how this Commission feels about the impact of high water (flooding) on the navigation interests of the Arkansas River.

You can't eliminate flooding on the Arkansas but with prudent water management you can lessen the impact of flooding on the people living and working in the Basin. Better water management will require study by the U. S. Army Corps of Engineers and this gets down to a determination of whether it would be in our best interest to have the needed study under the existing study authority of whether to seek new authority. My experience with Corps' studies tells me we should use the present authority. I am attaching the response by BG Genega to the BG Lee letter mentioned earlier. BG Genega's letter identifies the study authority issue.

Flood control is a tricky business and the Corps does a good job in this murky area. The flood of March-May 1990 was not an exception but had the Corps had the authority to release water in the range of 300,000 cfs as opposed to 150,000 cfs, logic tells you the navigation and other interests adversely impacted would have been "out of action" for a shorter period of time. A thorough Corps short duration study of the affect of high water on navigation is requested since it would perhaps answer the "out of action" time question.

It is hoped that Charles Maynard, Col USA (ret'd), will represent the Commission at your September 8, 1990 hearing and will read this letter and make added oral Commission comments regarding the flooding issue.

-- continued

Page 2
Honorable John P. Hammerschmidt (continued)
August 27, 1990

Thank you for this opportunity to make a written comment.

Sincerely,

James H. Phillips
Executive Director

JHP/cjf

cc: Commissioners

RECEIVED
SEP 5 1990
PUBLIC WORKS AND TRANSPORTATION COMMITTEE

James H. Phillips
Exec. Director
Phone: 501-682-1173

Commissioners:

Robert H. Parker, At Large
Eunice Platt, Ouachita River
James Walden, Mississippi River
James R. Nipper, Red River
Charles D. Maynard, At Large
Ralph Mc Donald, Jr., White River
W.E. Ayres, Arkansas River

Arkansas Waterways Commission
1515 West Seventh Street, Suite 505
Little Rock, Arkansas 72201

June 29, 1990

BG Robert C. Lee, Division Engineer
Southwestern Division, Corps of Engineers
1114 Commerce Street
Dallas, TX 75242-0216

Dear ~~General Lee~~ Bob:

Re: The AR Waterways Commission's presentation by Mr. Phillips in Dallas on June 28 at the AR River Basin Coordinating Committee. A copy of the presentation is attached.

It is requested that the U. S. Army Corps of Engineers, Southwestern Division, continue studying the possibilities of reducing the impact of flooding in the AR River Basin on farming, navigation and other interest groups. Specifically we want you to study and tell us the added federal costs of:

(1) evacuating the System's controlled areas at a faster rate than the present 150,000 cfs.
(2) securing any needed flowage easements, lands, raising any needed levees or building additional levees to support the more rapid evacuation suggestion.

This request is made in light of the duration (approximately 90 days) of the last flood and its effect on the farming, navigation, social and recreational interests in Arkansas and Oklahoma.

The continued study effort must take into account the taper period which is an essential component of the evacuation plan since the navigation channel and river banks must be in place when the taper is completed.

It is suggested that the study be phased. The initial effort should tell us "yes" or "no" as to the practicability of the request. The second phase would get to the specifics. Your comments as to a completion date would be appreciated.

Sincerely,

Jim

James H. Phillips
Executive Director

JHP/cjf
Encl.

SPEECH - DALLAS, TX

June 28, 1990

I want to thank you for calling this meeting and affording all of us present the opportunity to discuss our Arkansas River problems with you.

The problem I want to identify and ask for its solution is high water. However, I want all present to clearly understand that the most serious issue we have and will have on the Arkansas River is the low water problem. Please remember that it will take four years to construct a lock and dam at Montgomery Point and until that is done the entire system is at risk.

Our high water problem is crucial but it is believed that it can be corrected with administrative action and a minimum of new work. The time required for this depends on our ability to identify the problem, the Corps study time and the ability of those of us present to turn up the political heat that causes the Corps to respond.

The Arkansas Waterways Commission believes that the existing Arkansas River Comprehensive Study authorization is the vehicle that should be used by the Corps to study the optimum rate of floodwater releases in the Arkansas Basin. We know about and have read your Arkansas River Basin Water Control Master Manual and we believe you faithfully followed it during the most recent flood. Further we are publicly stating that you did a good job with your releases -- your text worked. Your efforts should be applauded.

I do want to go on and say that the flood started on or about 1 March and it was well after 1 June before things started to approach business as usual for the farm interest and later still for the navigation interest in Arkansas and Oklahoma. The Commission of which I am the Executive Director want serious thought given to reducing the floodwater evacuation time because this impacts navigation which is our State responsibility.

-- continued

Your River Basin Plan says that normally no more than a stream of water (150,000 cfs) will be released from the structures in the controlled areas and, in turn, pass Van Buren. These releases will bring the water to about 22' (floodstage) at/or below Ft. Smith. At present if you exceed these releases there will be agricultural lands damaged and some damage to property. We also know that your ability to make up-stream releases far exceeds your ability to control the water below Ft. Smith. We also know that all interests in Arkansas had a lot rather be flooded for the minimum time possible rather than dragging it out. However following our flooding we want the System operative and we don't want to clean it up for another period of time during which the navigation interests cannot use the system. We believe that you have the capability to achieve these goals e.g., evacuate the floodwaters quicker yet leave the channel and banks in good shape.

With study it is believed that you can and should step up your releases to the point that though increased there would not be channel and bank damage below Ft. Smith while passing the added quantity of floodwater.

Hopefully your 90 day crash study effort will indicate that greater floodwater releases can be made below Ft. Smith without channel and bank damage if the Corps: purchases more land or flowage easements; raises the elevation of existing levees and constructs added levees.

If all or some of these changes are made it is believed that it would enable the Corps to raise the floodstage of the AR River at Ft. Smith above 22' which would hasten the flood control evacuation. The task must be done without significant damage to the channel or banks by the floodwaters.

-- continued

The evacuation of the controlled areas must be closely coordinated with the needs of navigation since we all know that floodwater releases result in sediment buildups in the channel which can only be moved with a "taper" or dredging following the evacuation.

Your "taper" requires 21 days and approximately 16% of the floodpool storage capacity. This means that you seldom complete a taper without some approval to the districts by your headquarters. It also means that you almost always start the taper too late and with too little water left in the floodpool.

Your taper runs between 40,000 and 20,000 cfs. This starts at too low a level and it doesn't get the job done. Study starting the taper at around 60,000 cfs and holding at this bench level before moving on down to your lower release levels.

Your study effort will identify national issues right up front and don't be bashful about identifying them e.g. "NO FEDERAL INTEREST IN LEVEES"; the taper drops into the power pool; how do we handle up stream versus downstream problem etc. Tell us the impacts and costs of raising the flood stage below Ft. Smith to 24'; 26' etc., but don't study the problem for nine years like the Montgomery Point Lock and Dam issue.

IN SUMMARY: Study and cost how the floodwater above Arkansas can be released quicker but leaving the channel and banks below Ft. Smith without significant damage and not filled with sediment. Thank you for the opportunity to speak and good luck on your next assignment.

DEPARTMENT OF THE ARMY
SOUTHWESTERN DIVISION, CORPS OF ENGINEERS
1114 COMMERCE STREET
DALLAS, TEXAS 75242-0216

AUG 0 9 1990

REPLY TO
ATTENTION OF:
Executive Office

Mr. James H. Phillips
Executive Director
Arkansas Waterways Commission
1515 West Seventh Street, Suite 305
Little Rock, Arkansas 72201

Dear Mr. Phillips:

I would like to take this opportunity to thank you for your participation in the Arkansas Coordinating Committee Meeting. Your continued input to this committee is valued as we continue to review and refine operation of the Arkansas River Basin system for the benefit of the various project purposes for which they were authorized. General Lee felt that the committee provides a valuable sounding board for the various basin interests and I am looking forward to continuation of the committee meetings.

The study you proposed in your speech to the committee on June 28, 1990, and in your recent letter to General Lee, will involve hydrology studies, benefit/cost evaluation, and environmental analysis of several items which would be effected by increasing the controlled flow rate at the Van Buren, Arkansas gage. A series of flow rates above the 150,000 cubic feet per second (cfs) would need to be considered in the evaluation with the following effect for each flow:

a. Additional flowage easements for the land that would be flooded at the higher controlled flow rates.

b. New or improved levees to protect developed areas and facilities where flowage easements could not be obtained.

c. Impact of the higher sustained flows on the navigation system (i.e. channel and bank damage, effect on training structures which have been designed and installed based on the present flow criteria, etc.).

These studies would most likely require several months of effort and could be accomplished under the existing Arkansas River Basin, Arkansas and Oklahoma, Feasibility Study authority, if modifications of the existing Feasibility Cost Sharing Agreement were executed by the study sponsors and additional study funds were provided. However, the feasibility study is essentially complete. A Feasibility Review Conference was held last April to determine what report revisions would be required before it could be released (scheduled for this fall) for public review and comment.

The study sponsors and other interested groups are eagerly awaiting the results of the feasibility study. Accordingly, it would be preferable for the studies to be accomplished under a new study authority. If you will contact Mr. Ken Carter, Chief of the Planning Division, Little Rock District, he will assist you in preparing the appropriate study request.

I am looking forward to meeting with you and the Arkansas Basin Coordinating Committee in the future. In the meantime, if you have additional concerns feel free to contact me.

Sincerely,

Stanley G. Genega

Stanley G. Genega
Brigadier General, U.S. Army
Commanding Officer

ELROD LAW FIRM
[illegible] SOUTH BROADWAY
POST OFFICE DRAWER [illegible]
SILOAM SPRINGS, ARKANSAS [illegible]
[illegible]
FAX [illegible]

RUSSELL ELROD ([illegible])

JOHN R. ELROD
[illegible] ELROD
DANIEL R. ELROD

FAYETTEVILLE CONFERENCE ROOM
[illegible] PLAZA, SUITE [illegible]
[illegible]

September 14, 1990

Honorable Glenn M. Anderson
United States House of Representatives
2329 Rayburn House Office Building
Washington, DC 20515-0532

Dear Chairman Anderson:

As a member of the Northwest Council, let me please express to you our appreciation for your presence and for the presence of the other members of the Public Works and Transportation Committee in Springdale, Arkansas.

We were pleased to be able to demonstrate to you the substantial progress made in Washington and Benton counties, Arkansas within the last 20 years and the extreme strain that it has caused on our highways and airport system.

Yours truly,

John R. Elrod

JOHN R. ELROD
(Dictated but not read)

JRE/jh

McGoodwin, Williams and Yates, Inc.
Consulting Engineers
909 Rolling Hills Drive
Fayetteville, Arkansas 72703

Telephone 501/443-3404
FAX 501/443-4340

September 11, 1990

The Honorable John Paul Hammerschmidt
U. S. House of Representatives
2110 Rayburn House Office Building
Washington, D. C. 20515

Dear John Paul:

Congratulations on what I understand was a very successful hearing in Springdale last Saturday. I am sorry that a previous commitment kept me from attending.

I had prepared, on behalf of the American Consulting Engineers Council, a statement that I had planned to enter into the record. Unfortunately, through a mixup in the mails, I was unable to do so on Saturday.

I understand that the record is being held open for a period of 30 days. Consequently, I am enclosing 10 copies of my statement and would appreciate it very much if you would see that it is entered.

Again, congratulations on an excellent hearing. I look forward to seeing you in the near future.

Cordially yours,

Carl

L. Carl Yates

LCY:hk

Enclosures

American Consulting Engineers Council
1015 Fifteenth Street, N.W., Washington, D.C. 20005
202-347-7474
FAX: [illegible]

TESTIMONY OF

CARL YATES, P.E.

before the

House Public Works and Transportation Committee

on

The State of Our Nation's Infrastructure

September 8, 1990

"Serving the Business and Professional Interests of American Consulting Engineers Worldwide"

Mr. Chairman and members of the Committee, my name is Carl Yates. I am President of McGoodwin, Williams and Yates, Incorporated, a consulting engineering firm in Fayetteville, Arkansas. I want to commend Congressman Hammerschmidt for holding this hearing and for his commitment to developing Arkansas's and this nation's infrastructure. I appreciate the opportunity to submit this statement for the hearing record.

I am also a member of the American Consulting Engineers Council, a national professional association representing 5,000 private-practice engineering firms. Our member firms employ some 160,000 engineers, scientists, technicians and other, and annually design over $1000 billion in public works and private-industry facilities.

Included in your briefing books should be a list of infrastructure projects that are needed by Northwest Arkansas, if our businesses are going to be successful and profitable. While all areas of infrastructure are essential, I would like to focus my remarks on the work that ACEC has done in the area of transportation infrastructure.

As trained professionals, consulting engineers are regularly confronted with problems requiring special solutions. If there is a common vision that we share, it is that the economic, social and, yes, even political well-being of this great nation depends, in part, on our commitment to and investment in America's transportation infrastructure.

Most of us agree that the condition of our interstate and primary road system, railways and airways are indicators of our productive capacity and continued national prosperity. But does our social and political well-being depend on the health of our infrastructure? Let's examine these ideas for a moment.

Social well-being can be defined as that condition in which communities are in balance, happy and healthy. Political well-being can be defined as that condition when citizens feel free, well-governed, and unconstrained. Along with education and freedom of expression, Americans also value the freedom to travel. Whether for business or pleasure, we expect to be able to move about freely at a reasonable cost, in great safety and without restrictions.

It is precisely these "well-beings" that are threatened by our systematic neglect and disregard for our decades-old investment. We are not only eating the "seed corn" of our infrastructure capital; we may be letting it rot in the field, as deficit reduction negotiators consider balancing the Federal budget with the transportation trust funds. If the trust is lost in these funds, we may never persuade the American people to support a motor fuels tax increase for future needs. Without the trust funds, we will be unable to maintain what we have or to plan for the next generation of transportation investments.

As you know, engineers love facts and statistics; let me cite just a few that I am sure you have heard before to set the context for the balance of my remarks.

Nearly one half of all bridges in the United States are deficient.

> By the year 2000, approximately 7.5 billion gallons of gasoline will be wasted due to traffic congestion alone. What used to be a 20-minute drive to work in most urban areas is now a one- to one-and-a-half hour trip.
>
> It is estimated that it will take $1 trillion by the year 2000 and $3 trillion in the next 20 years just to replace and repair our current infrastructure. This figure does not include the cost of building new facilities.
>
> One final statistic -- The last major airport constructed in this country, Dallas Fort Worth, opened 15 years ago. Fortunately the people of greater Denver approved a successor to Stapleton last year.

The list goes on. The problem has been well-defined and documented. The solutions, for us, are all too obvious. But still, not enough is being done.

U.S. industry as a whole has lost the competitive advantage which made this nation the world's greatest economic leader. The U.S. trade deficit hits record highs every quarter, and each year the interest payment that Americans must send overseas to finance the deficit rises. What can be done about it?

The U.S. industrial sector must rebuild if it is to regain its share of world trade. Numerous remedies have been proposed -- improved management techniques, flexible manufacturing, and additional education, research and development. Much attention already has been given to the role that the modernization of factories plays in spurring economic growth. Now the focus must shift to the role that infrastructure plays in enhancing the quality of everyday life. Greater public awareness must be attained concerning the integral part that public facilities play in maintaining our nation's economic competitiveness.

In the 1960s, the net investment in public works by federal, state and local governments averaged 2.3 percent of gross national product. By 1984, this figure had dropped to a mere 0.4% of GNP. This decline has had a tremendous, but, until recently, largely unassessed impact on our nation's economy. David Auschauer assessed the relationship between our nation's overall productivity and the diminishing infrastructure investment. He described in economic terms what we knew but could not prove - that the decline in public investment as a percentage of GNP was having a negative effect on our nation's prosperity and our ability to compete in the world market. Auschauer demonstrated that each percentage point increase in the public capital relative to private investment produces a one-third percent increase in the productivity index.[1] Auschauer also cited European data to show a relationship between public investment and productivity among the "Group of Seven" countries - the U.S. and our six primary trading partners. The results indicated a decline in our national productivity and prosperity. The US has fallen to seventh place behind not only Germany and Japan, but also France, the UK, Canada, and Italy. In fact, Italy, with a far weaker overall economy, outdistances all but Japan in productivity, largely because their infrastructure investment is more than 4% higher than the average of the last twenty-five years. Ours is below 1%.

The documented impact can be frightening. For example: urban traffic congestion has increased 15 percent in the last decade. This means that if a worker is delayed twenty minutes each day in traffic congestion, by the end of his career he will have wasted two years' time sitting in a car in traffic. It is estimated that today's average big-city commuter will spend six months of his lifetime waiting for red lights.

---

[1] Auschauer, David A., " Rx for Productivity: Build Infrastructure", Chicago Fed Letter, Federal Reserve Bank of Chicago. No. 15, September, 1988.

The American economy suffers when infrastructure investment declines. The damage, however, is not irreversible. The United States must renew its commitment to maintaining our transportation system as the finest in the world and prepare for the challenges of the 21st Century.

There have been some positive developments in recent years and progress has been achieved on several fronts.

After concluding that the quality of America's infrastructure was barely adequate to meet current requirements and insufficient to meet the demands of future economic growth, the National Council on Public Works Improvement, a joint council appointed by Congress and the President, outlined a strategy for getting to the root of the problem. The Council's recommendations included a national commitment, to be shared by all levels of government and the private sector, to increase capital spending by as much 100 percent.

If you recall, the Council also advocated that we:

- Clarify the respective roles of state, local and federal governments in the design, construction and management of infrastructure in order to focus responsibility and increase accountability.
- Allow spending of the federal highway, transit, and airport trust funds for their intended statutory purposes.
- Finance a larger share of the cost of public works through user fees.
- Remove the unwarranted limits on the availability of tax-exempt financing for state and local self-help efforts. ACEC is actively pursuing this goal through the Environmental Infrastructure Bond Act of 1990, (co-sponsored by Senators Domenici, Boren, and others.)
- Support additional research and development to accelerate technological innovation and to train

public works professionals. A major study on the impact of R&D cutbacks on the decline of federal infrastructure funding is under preparation by the U.S. Office of Technology Assessment.

- And, develop a rational capital budgeting process at all levels of government.

The U.S. Department of Commerce estimated that infrastructure use by industry alone would increase by 30% during this decade. As a result, the Council report recommended that users and other beneficiaries pay a greater share of the cost of infrastructure services.

Action is being taken on these recommendations.

ACEC is also a driving force behind "Rebuild America," a coalition dedicated to making infrastructure repair and rebuilding a top national priority. As you know, "Rebuild America" includes such public and private organizations as the American Consulting Engineers Council, the American Institute of Architects, the American Society of Civil Engineers, the Associated General Contractors of America, the National Association of Home Builders, and the Public Securities Association. Other members include the American Public Works Association, the National Association of Counties, the National League of Cities, and the U.S. Conference of Mayors.

Like the National Council on Public Works Improvement, "Rebuild America" seeks to make progress in the areas of capital planning, creative funding strategies, improved management and technological innovation. It's legislative goals are forthright:

- There should be no further funding reductions in existing federal programs that address infrastructure needs.

- Existing federal infrastructure trust funds must be continued, adequately funded and fully expended for their intended purposes.
- Restrictions on the use of tax-exempt financing for infrastructure must be eliminated.
- A federal capital infrastructure program is needed to provide assistance to states and localities to meet infrastructure needs
- And, a federal, long-term, multi-capital budget must be established if these efforts are to be successful.

What else needs to be done to guarantee a solid foundation for the future of infrastructure?

Change can be effectuated and the challenge met. The renewal and reinvigoration of the American infrastructure begins with the hardest step, "breaking friction with your chair." The renaissance of America's infrastructure must begin with the support of the American public. The general populace must come to realize the important contribution a strong transportation system makes to the health of the country.

We must all get involved.

Two months ago, ACEC agreed to cosponsor a proposed public television series about transportation in America. WETA, a Washington, D.C.-based television producer is soliciting financial support for the four one-hour series entitled Coming and Going. The series would be aired by the Public Broadcasting Service - which reaches 98 percent of America's households. On an average week, 52 million households tune-in to PBS.

Finally, the consulting engineers will continue to work with you, our Representatives, in Congress. Your understanding of the problem and commitment to our nation's infrastructure has been tremendous. Your doors have always been open to us. We must continue to work with your colleagues and with those who are instrumental in shaping our nation's priorities and policies to educate them on the need for improving our infrastructure. I would like to single out Congressman Hammerschmidt for his leadership and commitment to his constituents.

I would be happy to answer any questions you may have on the role that consulting engineers will play in restoring our infrastructure.

napco
NORTHWEST ARKANSAS PAPER COMPANY WE'RE MORE THAN A PAPER COMPANY

September 7, 1990

Committee on Public Works and Transportation
United States House of Representatives

Chairman Anderson and Distinguished Members:

When Northwest Arkansas Paper Company came to Arkansas in 1967, we had 5 employees and manufactured 100,000 paper bags per day. Warehousing and manufacturing occupied 5,000 square feet of space and produced sales of approximately $640,000.

Napco has expanded to employ 300 people occupying in excess of 250,000 square feet. The manufacturing company produces more than 5,000,000 bags a day and company-wide revenues are projected to reach $75,000,000 this year. This record growth has made us the leader in the paper distribution industry for our area.

Along with manufacturing and distribution, Napco operates 45 long haul over-the-road tractors in 25 states. Miles in Arkansas for these trucks accounts for over 60% of the total miles driven in these states. In addition, we have 11 bob trucks registered for the four state area. All trucks combined travel over 5,000,000 miles per year, hauling over 96,000,000 pounds of product.

We are not alone in this phenomenon of tremendous growth. We are extremely fortunate to operate in this area of major growth and to be associated with the area's leading companies. Our highway systems, while always improving, have not managed to keep pace with the growth rate of the area. The major routes used to enter and exit the state, including U.S. Highways 71 and 412, have some of the highest accident and fatality rates in the nation. In the history of our company in particular, we have had the misfortune of 2 fatalities among our truck drivers. Both occurred on Highway 71.

Your time and attention to our area needs will be greatly appreciated. We hope the extensive growth in this area will justify special attention.

Sincerely,

William R. Gray
President

WRG:ct

P.O. Box 729 • Springdale, Arkansas 72765-0729 • (501) 751-7155 • (800) 643-3068

Rogers
Chamber of Commerce
113 N. 4TH • P. O. BOX 428 • ROGERS, ARKANSAS 72757-0428 • 501-636-1240

Committee of Public Works and Transportation
One hundred first Congress
U. S. House of Representatives
Glenn M. Anderson, Chairman

September 8, 1990

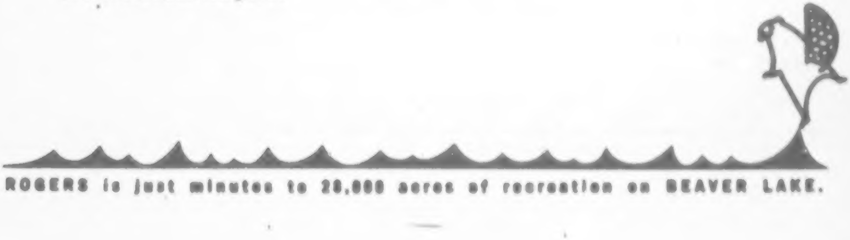
Rogers Chamber of Commerce is pleased to welcome the Committee of Public Works and Transportation to Northwest Arkansas.

The presentation "Addressing the Infrastructure Challenges of the City of Rogers and Northwest Arkansas" centers around providing adequate services for one of the most rapidly growing areas in the nation, unlike many cities in Arkansas. The Rogers Chamber of Commerce is in support of this presentation given to the committee by the Honorable John W. Sampier, Jr., Mayor of the City of Rogers; and by the Northwest Arkansas Council.

The completion of U.S. 71 to interstate standards from Alma to the Missouri line has been a priority of our community for many years. Upgrading this system to Interstate 49 from Shreveport, Louisiana to Kansas City, Missouri is of great importance locally, regionally and nationally.

In order for our region to continue to flourish and be competitive, we must have rapid inter-regional, interstate and intrastate movement of traffic. Most importantly is our concern for the public safety of the motoring public.

Northwest Arkansas definitely needs to be connected to the Cherokee Turnpike via U.S. 412 which would give us an important commercial link with the proposed Northwest Arkansas reliever airport, the Arkansas River Navigation System and the Tulsa International Airport.



We encourage the Committee of Public Works and Transportation to assist Northwest Arkansas in any way possible in its quest for adequate, safe transportation and infrastructure development.

Sincerely,

Raymond M. Burns
Executive Vice President/Economic Development Director

RMB/el

SEARCY COUNTY ARKANSAS

WRITTEN TESTIMONY

For presentation to the Committee on Public Works and Transportation, One Hundredth Congress, U.S. House of Representatives, at the hearing in Springdale, Arkansas, on September 8, 1990.

BACKGROUND

Searcy County, Arkansas, is among the most impoverished counties in the Nation. In 1989, Searcy County ranked 74th of 75 counties in the State of Arkansas for average weekly earnings. Searcy County is among the lowest five percent of counties Nationwide for per capita income.

Our largest industry is agriculture, and most of our farm/ranch operations are small, self-employed owner operations. Employee wage scales in most of our manufacturing, service and retail businesses are at or slightly above the statutory minimum wage.

Searcy County has not been able to attract higher wage industry because of the lack of certain basic infrastructure elements. For example, the County does not have an adequate airport facility, four lane highway access, an economical energy source (natural gas), or a railroad. In recent months, increasing concern has developed regarding the quality and adequacy of our water supply, presenting another negative factor which makes economic development more difficult.

The County is not without positive factors. For example:

1. The County has a sizable, highly motivated work force, that has demonstrated the capability to be very productive in industrial operations;

2. During the past two years the citizens of Searcy County have joined together in an intensive effort to improve the economic and social conditions within the County. Two hundred and twenty-four acres of land has been purchased for development as an airport/industrial park complex. Local efforts have resulted in payment of $210,000 of the $290,000 purchase price of the land,

leaving a current indebtedness of $80,000.

3. Searcy County citizens and former residents are working hard to identify industrial prospects willing to locate in Searcy County and add resources to our industrial base.

4. The County has tremendous potential for development of tourism as a major economic resource.

There are, however, several critical needs, essential to successful economic development, that are beyond our financial reach at the present time. The three most urgent are:

- Construction of an adequate airport;
- Development of a County-wide water system; and
- Widening of U.S. Highway 65 to four lanes within the County.

CONSTRUCTION OF AN ADEQUATE AIRPORT

Phase 1 of a Searcy County Airport Feasibility Study was completed during the summer of 1990. The study was conducted by Coffman Associates, Inc., Kansas City, MO, in association with Grimes Consulting Engineers, Inc., of Little Rock, AR, and was funded jointly by the Federal Aviation Administration, Arkansas Department of Aeronautics, and the Searcy County Airport Commission. The report included a comprehensive analysis of the County's aviation needs, and stated that "a community's airport is a vital link to the mode of transportation that has resulted in greater economic strength and growth for our nation as a whole, and for individual communities, as well". The study indicates that history has shown that the cost of building and maintaining an adequate airport is an investment which yields impressive benefits to a community. Searcy County has already learned that an adequate airport is a vital ingredient for attracting and retaining industry. All of our contacts have stressed the absolute need for an adequate airport as an overriding consideration in factory location decisions. In fact, one industrial operation has moved from Searcy County in the recent past because of the inadequacy of our current airport.

Our consulting engineer estimates that the total cost of constructing a suitable airport is approximately $1.4 million. Searcy County citizens are raising funds to purchase the land. Local contractors are donating their time and equipment to clear the land and help with construction. The Arkansas Aeronautics Commission has provided grants totaling $176,000 for land purchase and construction work. However, Federal funding assistance is essential if this airport is to be completed within a reasonable period.

DEVELOPMENT OF A COUNTY-WIDE WATER SYSTEM

In early 1990, the Arkansas Soil and Water Conservation Commission conducted a comprehensive study of water resources, water needs, and the type of system needed to meet the needs of Searcy County and portions of Newton County. This study was made because of the discovery of radium contamination in several water supply wells throughout the area. Radium levels exceeding the maximum contaminate level of five (5) picocuries per liter has been detected in six wells in the area. As a result, the Arkansas Department of Health has given those systems three years to either remove the radium from the water or develop another source.

Of the various alternatives, a surface impoundment has been determined to offer the most advantages. Utilization of well water as a supply source is still possible, however, the sources of radium contamination are still unknown, and controversies concerning radium treatment and sludge disposal present difficult, if not insurmountable, problems.

A committee of specialists, appointed by the Searcy County Judge, has developed two possible sites for large impoundments, with upper Bear Creek, in the western part of the County, being the most feasible location. This alternative would provide a sufficient water supply to serve all of Searcy County and possibly provide a recreational resource that could substantially enhance the County's attractiveness to industrial prospects and tourists. The elevation would be sufficient to provide gravity flow to all areas of the County and significantly reduce the cost of the water transport system.

The cost of either impoundment alternative is as yet undetermined, but no doubt will be substantial. Federal assistance will be necessary if the current health hazards are to be eliminated, and a safe, adequate water supply developed within the forseeable future.

WIDENING OF U.S. HIGHWAY 65 TO FOUR LANES IN SEARCY COUNTY

U.S. Highway 65 is a primary north-south artery from the midwest to the south and southwest areas of the Nation. It is a major tourist route and traffic increasingly consists of large trucks and recreational vehicles that create congestion and traffic hazards on the narrow two lane roadway.

Several studies have been made and proposals developed that recommend widening the highway to four lanes. However, all known studies contemplate that the Searcy County segment of the highway will remain two or three lanes.

It is obvious to County officials, business owners, and economic development organizations that widening of the highway to four lanes is essential to our growth and the present and future needs of users of Highway 65. We believe a contrary view is shortsighted and that failure to widen the highway will result in increasing hazards, congestion and delays to travelers using this route. Assistance from the Federal Highway Administration will be necessary to develop a realistic plan to correct this situation.

On behalf of the people of Searcy County, we appreciate the opportunity to present our concerns to the Committee. If additional information is desired or questions arise, we urge the Committee to contact the County and economic development officials listed below:

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  Searcy County Courthouse
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  Telephone 501-448-3554

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  Post Office Box 278
  Marshall, AR 72650

PREPARED BY: Audie DePriest
Secretary/Treasurer
Searcy County Industrial Development
Corporation
Secretary
Searcy County Airport Commission
Post Office Box 938
Marshall, AR 72650
Telephone 501-448-2722

Rogers
Chamber of Commerce
113 N. 4TH • P. O. BOX 428 • ROGERS, ARKANSAS 72757-0428 • 501-636-1240

September 7, 1990

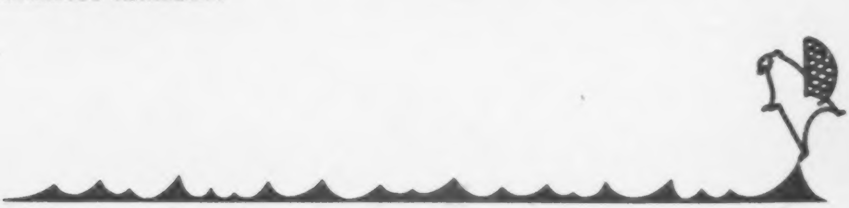
Mr. Glenn M. Anderson, Chairman
Committee of Public Works & Transportation
101st Congress
U.S. House of Representatives
Washington, D.C. 20515

Dear Sir:

We want to take this opportunity to thank you for bringing your congressional hearing on infrastructure to Northwest Arkansas. We believe hearings such as this will give your committee a tremendous insight into the thinking of "Grassroots" America.

Federal funding is critical to solving the infrastructure needs of Northwest Arkansas. The most vital element needed to stabilize the economic base of our area is a dependable, safe transportation system. Our diversified industries, as well as the many nationwide trucking firms with home offices in Northwest Arkansas are dependent upon a safe route for transporting goods and services.

For many years, the highest priority of the Rogers Chamber of Commerce for regional transportation improvements has been the upgrading of U.S. Hwy. 71 to Interstate standards from I-40 at Alma, Arkansas, to the Missouri State line. Sections of this route now carry over 20,000 vehicles per day, and this is the only north-south route through Northwest Arkansas. We realize the improvements to this highway within the past few years have been made possible because of Federal funding authorized through your committee. We also are very well aware that the route cannot be finished without a continuation of the Federal funding. Therefore, we are earnestly soliciting your support for the completion of this route that is so critical to the economy of Northwest Arkansas.



ROGERS is just minutes to 28,000 acres of recreation on BEAVER LAKE.

In addition to the regional impact of Highway 71, we also have many local transportation needs affected by Highway 71. Our inter-city routes that serve as the connecting link from the business district to the completed portion of Highway 71 are presently over-saturated with local traffic. These arterials, U.S. 62 and Highway 71B, are only two lanes in width with inadequate shoulders and no passing lanes. Many of our businesses and industries are located along these routes, and continually experience difficulty with ingress and egress because of the traffic load.

Recently the State of Oklahoma, through its Highway Commission and the Oklahoma Turnpike Authority, began construction on the 32 mile link of U.S. Highway 412 between Chouteau and the Arkansas State Line. This massive construction project is due to be completed by early 1992. With U.S. Highway 412 being a major east-west route from Woodward, Oklahoma to Jackson, Tennessee, it is important that an effort be made to upgrade the fifteen mile section between the Arkansas State line and U.S. Highway 71. This will provide direct access to the Port of Catoosa on the McClellan-Kerr Navigation System, as well as direct access to the proposed reliever airport near Tontitown, Arkansas.

While there will always be infrastructure needs in our area, we believe that we have outlined above the most pressing needs for Federal funding. The cost of highway and airport construction has escalated to the point that without Federal support, we cannot even maintain what we have, much less keep up with the increased transportation demands of a vibrant region such as Northwest Arkansas.

Thank you again for bringing members of your committee to Northwest Arkansas and allowing us the opportunity to provide this input.

Sincerely,

ROGERS CHAMBER OF COMMERCE

Bob H Crafton

Bob H. Crafton, Chairman
Transportation Committee

BHC/pmb

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PREPARED BY: Audie DePriest
Secretary/Treasurer
Searcy County Industrial Development
Corporation
Secretary
Searcy County Airport Commission
Post Office Box 938
Marshall, AR 72650
Telephone 501-448-2722

WASHINGTON COUNTY SOIL AND WATER CONSERVATION DISTRICT
35 EAST MOUNTAIN, FEDERAL BUILDING ROOM 312
FAYETTEVILLE, AR 72701

September 8, 1990

Committee on Public Works and Transportation
U.S. House of Representatives
(Infrastructure Needs)
Springdale, Arkansas

STATEMENT OF DELFORD RIEFF
CHAIRMAN OF THE WASHINGTON COUNTY CONSERVATION DISTRICT

Glenn M. Anderson, Committee Chairman
John Paul Hammerschmidt, Ranking Republican Member

The Washington County Soil and Water Conservation District is greatly concerned with the future of Northwest Arkansas, and Washington County in particular.

Our area is growing quickly and we are concerned about the water, aviation, highways and sewer systems being able to facilitate this growth.

Washington County is filled with many scenic rivers, streams and lakes nestled up against some of the steepest hills in the state. Our annual precipitation is about 48", which mostly comes in the form of rain. When these showers occur, run off is sudden and severe and in many cases will cause flash floods. This sudden run off causes several problems to the water quality of these lakes and streams.

Confined livestock operations, especially in the poultry arena, is expanding very rapidly. This situation is a "catch 22" in that we like the industry and the progress it brings, but it also produces enormous amounts of chicken litter with no or inadequate facilities to store and utilize this resource.

We, the Washington County Soil and Water Conservation District, want to go on record as saying that we support the water quality efforts of the Soil Conservation Service, Agricultural Stabilization and Conservation Service, the Army Corps of Engineers, the University of Arkansas, the Cooperative Extension Service and the Arkansas Soil and Water Conservation Commission. We also support the Clean Lakes Program on Beaver Lake, the Hydrologic Unit Project in the Moore's Creek area and the ACP Water Quality Special Project that has been proposed for the Illinois River Basin. We feel that these programs will greatly benefit water quality in our precious rivers, streams and lakes.

STATEMENT OF DELFORD RIEFF (cont.)

We are also concerned with the highways, sewer systems and aviation aspects of our area as well. We feel well maintained highways will be a major role in inviting more industry to the area. Our sewer systems are in need of upgrading and waste water treatment facilities are desperately needed to keep from damaging the environment. In order to attract more industry the need for good airports and adequate flight service will also be a big key.

We would like to thank you for hearing us out, but we also want you to know that we are very concerned about the water quality of Northwest Arkansas. Water must be your number one priority. Without good clean water, livestock, industry, and the people of Northwest Arkansas are destined for a gloomy future.

Sincerely,

Delford Rieff
Board Chairman

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

MONDAY, SEPTEMBER 17, 1990

House of Representatives,
Committee on Public Works and Transportation,
Munster, IN.

The committee met, pursuant to call, at 11:20 a.m., in the main conference room, Munster Town Hall, 1005 Ridge Road, Munster, IN, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson and Visclosky.

The Chairman. The meeting of the Committee on Public Works and Transportation will come to order.

I was going to make an opening statement, but because someone is in kind of a tough time schedule, we will proceed to our next witness, our colleague in the House of Representatives, the Honorable Jim Jontz, who represents Indiana's 5th District. I understand part of Jim's district abuts Pete's 1st District and that while the 5th District is more rural than urban, there are some common interests and needs, particularly with regard to mass transit and commuter rail.

Jim, I know you are constantly working hard in the best interests for your district and your constituents. We are delighted that you could appear at our hearing and we look forward to your testimony. I will save my opening remarks until afterwards because I understand you have to "hit and run".

The floor is yours, Jim.

TESTIMONY OF HON. JIM JONTZ, A REPRESENTATIVE IN CONGRESS FROM INDIANA

Mr. Jontz. Thank you very much, Mr. Chairman. I don't believe I have ever seen a committee get started so quickly.

Mr. Chairman, we really appreciate your coming to Indiana. You will hear some outstanding testimony today from our Governor and from local officials. I believe that the local political leadership in our State and our region wants to deal with the transportation problems that we face, and we appreciate your coming here today because it will take cooperation between Federal, State and local governments to effectively meet the transportation needs of the future.

This part of the country, like other parts of the country, is facing demographic changes. We are very fortunate that we've had people move into some of the suburban areas of Lake County and Porter

County. Many of these individuals are moving into my district and many are moving into Peter's district. But with the additional population, of course, comes transportation problems. Highway 41, Highway 30, the Borman, these roads were just not designed for the volume of traffic that they are now handling. So if this area is to continue to grow, we have to address these transportation problems.

Mr. Chairman, the message I want to leave with you today, to be very brief, is we hope that the Surface Transportation Act, which will be reauthorized by your committee in the near future, will recognize the need for dealing with highway congestion, with the need for mass transit, and the need for intermodal transportation. I want to take just a brief minute to share with you one of the challenges that we face here in the region as an example of the sort of problem I hope the committee is aware of.

One of the exciting ideas which has been initiated locally to address this problem of congestion is the idea of commuter rail service in west Lake County. This service would go from the town of Lowell in my district up to Cedar Lake, St. Johns, to Dyer, and then to Chicago. This would help a great deal in meeting the needs for transportation for individuals who live in Indiana and work in Chicago. It would help with the congestion to a great extent that we face on our highway system.

We appreciate the enormous task of getting commuter rail started. The testimony I have outlined for you today explains what is being done on the local level and the sort of help that we need from Washington, and in particular talks about the problem of right-of-ways and how the preservation of right-of-ways, to put it in a positive way, is so critical to initiating these sorts of projects.

I have a lot of confidence that the West Lake corridor project will be a success. Our State legislature in the next session will be looking at ways to provide the local financial assistance is needed. If we can protect the right-of-way and get some reasonable Federal help, I think the local government and the State of Indiana recognize the value of this service and want to provide rail service in west Lake County to help address our problems.

You are going to be hearing about the other problems that we have in our region, too. I won't burden you with discussion of any other issues but simply conclude by saying thank you for coming to Indiana. We know your committee has an immense task ahead of you, and I wish you the best. I want to work with you, with my colleague, Peter Visclosky from northwest Indiana, to do anything we can to help address our region's transportation needs and the Nation's transportation needs.

Thank you, Mr. Chairman.

[The prepared statement of Hon. Jim Jontz follows:]

Testimony of

REPRESENTATIVE JIM JONTZ
FIFTH DISTRICT, INDIANA

Before the

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SEPTEMBER 17, 1990

Mr. Chairman and members of the committee, I thank you for conducting this hearing and for the opportunity to testify. The Public Works and Transportation Committee should be commended for its willingness to conduct hearings across the country on the infrastructure needs of regions and municipalities, in preparation for reauthorization of the Surface Transportation Act. I want to thank my colleague Peter Visclosky for his efforts to bring the committee to Northwest Indiana.

The people of Northwest Indiana are facing many of the same problems that citizens of other urban and suburban regions across the country face -- highway congestion, lack of sufficient mass transit, and the absence of an intermodal transportation plan.

But we in Northwest Indiana are fortunate to have several public and private agencies working to solve these problems, and with proper federal assistance, we can remedy these conditions.

Mr. Chairman, I would like to briefly acquaint the committee with two projects which address the problems we face here in Northwest Indiana and outline how the federal government could be of help.

WestLake Corridor Project

In the past decade Lake County, Indiana, has undergone significant dramatic demographic change as thousands of new residents have moved into its suburban townships. Many of these individuals work at white-collar or professional jobs in or around Chicago but find Indiana an attractive place to live. Recent studies have indicated that as many as half the single family home sales in areas of Lake County bordering Illinois are to former Illinois residents.

This growth is not unwelcome but of course is accompanied by various infrastructure problems. In particular, Northwest Indiana's highways are now intolerably congested and getting worse, as more and more commuters make their daily trip into Chicago. The demand for commuter services is growing. The South Shore line is experiencing significant overcrowding conditions on all its rush hour trains, and the Hammond Yellow Coach commuter bus service has increased its 1980 ridership by several hundred percent.

In response to this need, the Northwestern Indiana Regional Planning Commission conducted a study of the commuter options available in northwest Indiana and concluded that "the options of commuter bus and commuter rail are ideally suited to solving the mobility problems within the west Lake County area. Their cost is far lower than other options studied, they have the capacity to transport thousands of riders to and from downtown Chicago, and have the greatest real potential for fostering economic development."

The most promising proposal developed by the local planning organizations is one for a commuter rail service starting at Lowell in south Lake County, and proceeding through Cedar Lake, St. John, Dyer, Munster, Hammond, and into Chicago. This route would be primarily over CSX trackage. I believe this proposal is an excellent one, Mr. Chairman, but faces many difficulties, not the least of which is the preservation of rights-of-way.

Northwest Indiana, like many similar regions, once had an effective system of intercity passenger rail service as well as an extensive freight rail network. Over the years, as elsewhere, the passenger service has disappeared and much of the freight network has been abandoned. Until recently, many of these rights-of-way have remained intact, but today these rights-of-way are disappearing into residential and commercial development with little thought to their possible future utility.

Fifteen years ago during our first energy crisis, many people recognized that rail was an important mode of energy efficient transportation for both people and freight and that a revitalized rail transportation system would necessarily play a role in America's efforts for energy conservation and independence. Since 1980, however, that recognition has slipped from view until the recent events in Kuwait brought it back into sharp contrast.

An important factor in the cost of rebuilding a rail transportation system in this country will be the costs of right-of-way acquisition. That cost will be increased enormously if entities trying to develop mass transportation systems have to repurchase former rights-of-way which have been lost or force new rights-of-way through already developed areas.

In the case of the WestLake Corridor project, much of the necessary right-of-way is still in active use; however, one short but vital section of track owned by CSX Railroad is presently the subject of an abandonment petition before the ICC. If this section were to be lost, the WestLake Corridor project could be jeopardized or become prohibitively expensive. Like the WestLake Corridor, as existing or former rights-of-way become more scarce, the options available for communities trying to rebuild mass commuter transit will begin to disappear. Mr. Chairman, I believe it makes undeniable fiscal sense for us to find mechanisms by which municipalities and other local authorities can afford to protect existing rights-of-way if there is a future prospect of using them for mass transit.

Valparaiso Amtrak Service

Another local problem which points up the need for a reinvigorated mass transit program in the upcoming surface transportation reauthorization bill is that faced by the commuters who now ride Amtrak's "Calumet" service from Valparaiso, Indiana, to Chicago.

Valparaiso is located about 40 miles southeast of Chicago in Porter County, Indiana. There is now one commuter train servicing this route daily, but that service is threatened with termination by Amtrak at year's end. There were two trains servicing this route until 1986, but Amtrak has managed to reduce ridership on this line to an all time low during a period of burgeoning demand for commuter service in Porter County as evidenced by the overcrowding of the competing South Shore service. It is obvious to area observers that the deterioration in the Calumet's ridership has not been due to market conditions but, rather, to Amtrak's disinterest in maintaining the service.

Prior to the discontinuance of the second train, the Chicago - Valparaiso route's average yearly ridership was 227,800. Immediately afterward the ridership dropped to 137,185. Amtrak's one way fare for the trip is $7.75 compared to the South Shore's $4.75 fare. Monthly fares show a similar difference. Amtrak's policies seem intended to discourage rather than encourage ridership.

Since Amtrak first indicated that continued service was threatened, local and state authorities have been working hard to find alternatives which would maintain the service. Every overture made by the State of Indiana has been rebuffed by Amtrak. I believe that by now everyone is convinced that the continued operation of the Calumet by Amtrak is not in anyone's interest and the only viable alternative is to find another operator willing to take over the service. The obvious choice is the Northern Indiana Commuter Transportation District (NICTD), which successfully operates the South Shore.

Such a transition would of necessity entail finding a local source of revenue to complement what federal funding would be available, and local and state elected officials have made remarkable progress developing a proposal for next year's General Assembly; however, Amtrak is again being recalcitrant. Congressman Visclosky and I have recently written to Amtrak asking for the Calumet service to be continued into 1991 in order to provide the General Assembly time to act on the local proposal. Amtrak refused.

Again, Mr. Chairman, I think that our local experience with the Valparaiso commuter service illustrates the kind of problems local authorities face when trying to establish or save important mass transit services. The role of the federal government should be to encourage rather than impede the development of commuter services from the standpoint of both environmental and energy conservation policy.

Allocation Formulas

One final point I would call to the committee's attention is the composition of the allocation formulas which will be developed to administer highway programs through the Surface Transportation Act.

Indiana is the "Crossroads of America." We have approximately 91,000 miles of roadways within our borders, and have more miles of interstate highway than any other state our size. Four interstate highways converge on Indianapolis, and we have 2 major east-west arteries in the northwest -- the Indiana Toll Road and I-94.

Ten percent of Indiana's highways are congested, and InDOT estimates that travel on Hoosier highways will increase by 50 percent by the year 2000, creating additional transportation challenges for our state.

Heavy commercial truck travel is a feature of many regions in the country which are experiencing infrastructure problems. Northwest Indiana and the entire state rely on truck travel for many economic and commercial activities, and due to our geographic situation, the highway system provides service for intense interstate truck travel.

I would request that the committee consider allocation formulas which recognize the needs and characteristics of regions such as ours. InDOT recommends an allocation system which gives weight to truck travel. Diesel fuel use data reflects truck travel, and its inclusion in formulas would benefit the region and state.

Other components of a funding formula which InDOT recommends are total statewide urban and rural lane miles, and total statewide urban and rural vehicle miles traveled. States our size with significant interstate mileage have great needs, which these proposals reflect. I endorse InDOT's formula recommendations.

Mr. Chairman, I again appreciate the opportunity to testify and to present the concerns of the people of this region to you. I'm confident that the committee, under your leadership, will develop reauthorization legislation which will address the needs of regions such as Northwest Indiana. Thank you.

The **Chairman**. Thank you, Jim. It was an excellent statement.

I have one question I would like to ask. You may have partly answered it already. As the Committee puts together a national infrastructure bill, and as the Highway Bill is developed this coming year—and we had a hearing on that today, too, and I just left it—what is it that we can do to help the people of Indiana's 5th and 1st Districts? What specifically?

Mr. **Jontz**. Well, I think the special attention that can be given to areas of rapid growth to meet the congestion problems that I have outlined, particularly through mass transit, and help us get this rail system up and going, that's the most critical problem that I see in this part of my district. I'm sure that Peter Visclosky, my neighbor here in the 1st District, will be speaking to that problem. We feel, with a helping hand from the Federal Government, that this service can become a reality.

The **Chairman**. Do you have something to add, Pete?

Mr. **Visclosky**. Mr. Chairman, only to wish Jim well in catching his flight.

Mr. **Jontz**. I'll see you in Washington later today.

The **Chairman**. Thank you, Jim, very much.

With that, I think I will try my opening statement. The Committee on Public Works and Transportation hearing today is on the future of our Nation's infrastructure. This is what it's all about.

We will be hearing testimony from an impressive group of witnesses, and I know this is going to be an extremely productive hearing. I want to thank everyone for taking time from busy schedules to share with us your concerns, knowledge and perspectives about this important issue.

It is a great pleasure to be here in Pete Visclosky's district, and I want to thank him and the people of Indiana's 1st District for welcoming us here today and for making this hearing possible.

I must compliment the citizens of the area for sending Pete to the Congress. I have known Pete for almost six years as a member of this Committee. During that time, he has impressed me as a very intelligent and hard-working Member of Congress. Because I have had the pleasure of working with Pete over the past years, I wasn't surprised to read that he had been named one of the smartest Members of Congress.

Pete has not been shy about expressing his feelings on national transportation policy and the particular infrastructure needs of northwest Indiana. He has made it very clear to the Committee that because his district is at America's crossroads, transportation and infrastructure are its economic bread and butter.

Pete's hard work and legislative persistence have paid off for northwest Indiana. In 1986, he included the Little Calumet flood control project in the Water Resources Act. His successful appropriations efforts have resulted in this years groundbreaking on the project. In this Congress, Pete won approval for a $28 million Federal building that will increase the efficiency of many Government services. As many of you know, Pete is a very vocal advocate for locating the area's third major airport in Gary. On the way here from the airport, Pete expressed to me his vision of a comprehensive and coordinated mass transit system for northwest Indiana to continue the area's economic growth.

I am pleased that Pete has brought the Public Works and Transportation Committee to northwest Indiana. I am sure that what we will hear today will provide the Congress with invaluable information on the area's transportation needs.

This year our Committee has been examining many aspects of the infrastructure issue, seeking a better understanding about our Nation's public works crisis. We have explored emerging infrastructure needs from the national perspective and reviewed the impact of infrastructure on private investment and on the ability to compete in international markets. We also plan to look at infrastructure financing alternatives and new technologies.

It is important, however, that we understand the kinds of infrastructure problems that are being experienced at the local levels, so we have embarked on a series of hearings at various sites around the Nation to talk with you, the people most directly involved with our infrastructure.

Let me tell you why our infrastructure is a national priority. The answer is our economy. The United States—and this is shocking to me—ranks 55th in the world in capital investment. The country of Japan spends five times more than we do on infrastructure. And the little country of West Germany's annual productivity rate is three times ours.

Infrastructure is not just potholes; it is productivity. Infrastructure is not only concrete; it is competitiveness. Yet, what we see today is a system of peril, not pride.

Sixty percent of the highways of our country and 41 percent of our bridges are in need of work. Many of the bridges are unsafe. Traffic congestion has increased over 50 percent in the last ten years. In our Nation's largest urban areas, two billion hours of time are lost annually. If you're delayed 20 minutes each day in rush hour, by the end of your career you will have wasted two working years.

By the year 2000, traffic delays caused by inadequate roads will cost us $50 billion in lost wages and wasted gasoline.

No new airport has been built in this country since 1974. Many of our urban water systems are over 100 years old and lose as much water as they move.

Countless jobs are being lost, and according to the Rebuild America Coalition, in Indiana alone, 15 percent of all paved rural highways and 9 percent of urban highways and streets are considered deficient, as well as 28 percent of the highway bridges on the Federal aid system, and 47 percent of the bridges on state and local roads.

It is not just highways and bridges, and it is not just Indiana. This is a national problem of alarming dimensions.

Because of this, we are looking to you to help us gain further insight into our infrastructure needs. The question today is, what is the condition of the infrastructure in Indiana, particularly this area of the State. Are your roads, bridges, public buildings, sewers and wastewater treatment plants, water supply facilities and other basic services adequate to meet current and anticipated needs of the area? If not, what can be done and by whom? We look forward to today's hearing to answer these and other questions.

Now I would like to recognize Congressman Pete Visclosky for any remarks that he might wish to make.

Mr. VISCLOSKY. Mr. Chairman, thank you very much.

First of all, on behalf of the citizens of northwest Indiana, I want to welcome you to our State and region. Secondly, I want to thank you very much for the time and effort that you have taken to be with us today. I recognize that you have already had a long day that started with a hearing in the State of Pennsylvania somewhat earlier today.

But secondly, I would point out to those in the audience that we do have the Public Works and Transportation Committee of the House of Representatives here because we have their Chairman, Glenn Anderson. Glenn Anderson is the appropriate person to be here today because he has been a legislator and an executive at the local and State level prior to his assuming his office in the United States Congress. The fact is, he was a member of a city council in Hawthorne, CA as well as its mayor. He was not only a member of the California General Assembly, but he was the State's Lieutenant Governor for eight years. So clearly, from the local perspective that we're concerned about here today, as well as the State's perspective, both as a legislator as well as an executive, he clearly understands from his background, our concerns.

He is the Chairman of the full Committee. Some call him a liberal because of his concern about the plight of people in the United States of America. Others accuse him on occasion of being conservative because of his desire to ensure that we do have a balanced budget and that we do marshal the resources of the United States in a progressive fashion. It is my pleasure to welcome the Chairman here.

He is not here simply to hear testimony. It was a point of the Chairman to ensure that he did not fly into an airport in another State or to another area but, rather, that he fly into the Gary airport. Having done so, he spent some time on the Cline Avenue Expressway, which in the past congresses, he has been instrumental in helping me and our area. Ultimately, as all of us today I think at one time or another, have spent some time on the Borman Expressway. So the fact is that while time is short, the Chairman, as a quick study, wanted to ensure that he saw some of the basic infrastructure situations we are confronted with in northwest Indiana.

Secondly, he does want to hear about the area and about the State. As a Member from California who flies over our area potentially four to six times a month, if not more, in his duties, he wanted to talk to the people of our area about what is occurring in it. And finally, he is not here simply to hear testimony but to see and meet the people, not only people such as Congressman Jontz, but our Governor, Evan Bayh, who he has personally met with on other occasions, and citizens in the public and private communities in our area.

From my perspective, I think this hearing is important in two respects. First, it gives many people who otherwise would not be given the opportunity to travel to Washington to testify before the committee an opportunity to be heard. But, more importantly, it also lets the Chairman know that we are, in northwest Indiana, and the State of Indiana, willing to do more in terms of helping ourselves and matching Federal programs, but that in the end we can't do it by ourselves. We do need that strong Federal commitment.

If I could echo a portion of Congressman Jontz' presentation, while we have many needs—the Gary airport, for example, our many highway projects—we are in the midst of a local development in terms of mass transit; that is, the continuation of the Amtrak line running from Valparaiso to Chicago, but more importantly, the development of the West Lake line and the coordination and consolidation of those two lines with the existing South Shore service so that we continue at least one of our several positive trends in northwest Indiana, and that is, the movement of people into our area.

I think many might be surprised—but they should not be—to learn that the Hammond-Gary SMSA is one of only eight areas in the United States of America today that is in a positive trend in terms of its real estate market. I think many of us appreciate why—housing affordability and the tax structure of our State. What we don't want to do is to miss the boat and cut off a positive trend by not seriously addressing the transportation needs we have in our area, particularly those in the mass transit area.

With that, Mr. Chairman, again I want to warmly welcome you to our area and thank you for your strong commitment in terms of a national policy and your willingness to visit our area.

Thank you.

[The prepared statement of Hon. Peter Visclosky follows:]

PETER J. VISCLOSKY
1ST DISTRICT, INDIANA

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STATEMENT OF CONGRESSMAN PETER J. VISCLOSKY

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

FIELD HEARING/MUNSTER, INDIANA

SEPTEMBER 17, 1990

I would like to thank Chairman Anderson and the Public Works and Transportation Committee for holding this hearing in Northwest Indiana. Welcome to the Crossroads of America.

Chairman Anderson is a highly respected member of Congress from California. His political career started as mayor of his hometown Hawthorne. He then worked his way through California's state government where he eventually served as Lieutenant Governor. Chairman Anderson was first elected to the House of Representatives in 1968 and has proven to be a credit to the Congress and the nation. He has consistently worked for better transportation systems, a cleaner environment, and effective methods of assisting the elderly. Again, I thank Chairman Anderson for bringing the committee to Northwest Indiana.

Northwest Indiana faces many of the same transportation and infrastructure problems that confront the established areas in the Midwest and Northeast United States. Because Northwest Indiana is at America's crossroads, the transportation problems that are common across the United States take on a greater significance here at home. Not only does Northwest Indiana's transportation infrastructure determine the quality of life for the people who call the area home, but the efficient free-flow of commerce across the United States is dependent upon an unfettered passage through our area. Simply put, the systems of roads, bridges, and mass transit in Northwest Indiana impact the economy of both our area and the nation.

Our roads and bridges are crumbling. The Borman Expressway, America's east-west Main Street, faces consistent and debilitating over-congestion. Meanwhile, the Indiana Toll Road/Chicago Skyway is grossly underutilized. These are just two glaring examples of our area's highway problems. I would ask that the committee place special emphasis on the Borman and Indiana Toll Road/Chicago Skyway during next year's reauthorization of the surface transportation bill.

Our mass transit systems are also in great need of development and coordination. The Valparaiso-to- Chicago Calumet commuter line operated by Amtrak brings our area's residents to and from Chicago each working day. On an annual basis, an estimated 132,000 riders board the Calumet and return $8 to $10 million in income back to Northwest Indiana. It is imperative that we keep the Calumet on track.

The benefits of continued and service by the Calumet will allow the train service to be coordinated with the South Shore passenger line and the proposed development of the West Lake Corridor line. The South Shore rail line runs along the border of Lake Michigan to Chicago. During rush hour, its service is stretched to capacity. The line is greatly in need of additional cars and coordination with other mass transit services to continue its growth and effectiveness. The development and coordination of these three lines will be an immeasurable boost to Northwest Indiana's economy.

Although the location of the area's third major airport is not necessarily germane to the topic of today's hearing, I feel compelled to make a brief mention of its importance to our region. Approximately six years ago, Indiana, Illinois, and Wisconsin developed the "Tri-State Commission" to determine the site for the area's third metropolitan airport. The process progressed, narrowing to two states and four potential sites - one in Gary, Indiana and three in Illinois. The City of Chicago then used its considerable financial and political clout to bull its Lake Calumet site into the process. Mr. Chairman, I firmly believe that Gary, Indiana is best suited to be home to the area's third major airport.

The recession of the early eighties was especially hard on Northwest Indiana's economy. The steel industry alone lost 30,000 jobs. Now that the area's economy has stabilized and is once again growing we must do all we can to encourage continued prosperity. The movement of people from Illinois and other states has a direct impact on our economy. While these people may work elsewhere, they bring their paychecks home to Indiana.

Our area may not have a direct effect on key economic determinants such as the price of crude oil or interest rates but we can control our own economic destiny by making Northwest Indiana an attractive place to live. Aside from relatively lower taxes, housing prices, and development of the lakeshore -- easy access to and from Chicago will guarantee continued movement to Indiana and continued economic growth.

At a time when the world is confronted with a military crisis in the Middle East and economic competition becomes increasingly global in nature, the United States cannot afford to be without a national transportation policy that maximizes efficiency and reduces energy consumption. It is my expectation that the Congress will take steps to address these problem next year when the surface transportation act is reauthorized.

I would like to thank our distinguished panelists for participating in today's hearing and I look forward to to their testimony. I would also request that in the interest of time, each panelist limit their opening statement to five minutes, allowing time for questions and answers. Each panelists will be allowed to submit their entire statement for the record. I am confident that today's witnesses will relay to the committee the particular needs and concerns of Northwest Indiana as it crafts the surface transportation reauthorization measure.

The CHAIRMAN. Thank you, Pete.

Now, because of the number of people willing to participate in this hearing, and because of the time constraints, I am going to ask witnesses to summarize their statements orally in three to five minutes, if possible. Each witness' full statement will be printed in its entirety in the hearing record.

I am very pleased to welcome the distinguished Governor of Indiana, the Honorable Evan Bayh. Governor, I want to commend you for your efforts on behalf of the Build Indiana fund. As I understand it, the purpose of the fund is to finance projects that will enhance economic growth and development in Indiana and provide for a better quality of life for all Hoosiers. Now, I know also that you champion the position that the third major airport in the Chicago metropolitan area should actually be located in Gary, IN.

We are honored that you could take the time from your business schedule to join us, and we look forward to hearing from you today. You may begin when you're ready.

TESTIMONY OF HON. EVAN BAYH, GOVERNOR OF INDIANA

Governor BAYH. Thank you very much, Mr. Chairman. I would like to join with Congressman Visclosky and all those of us here today in welcoming you to the State of Indiana. We pride ourselves on Hoosier hospitality and we are very, very grateful for the opportunity to extend that to you today. I am delighted to know that Pete had an opportunity to show not only our airport to you but other major aspects of our local infrastructure. That is very, very important.

I would like to just at the beginning here, Congressman Visclosky, share with you and the audience a story that I haven't had a chance to share with you before. As you are aware, I met with Chairman Anderson earlier this year on some of the infrastructure needs confronting the State of Indiana, and in the course of our meeting it became clear that my mother-in-law, Susan's mother Carol, is actually a constituent of the committee Chairman. Well, we talked about that a little bit and I didn't think much more about it. And lo and behold, two days later I got a very excited phone call from one very happy mother-in-law who had just been called personally by her local Congressman. So I think that demonstrates very clearly the kind of constituent service provided by the Congressman and the dedication that he brings to his job. Congressman, I am personally grateful to you.

The CHAIRMAN. Governors are very important, but there's one thing probably more important than a Governor, and that's a constituent.

Governor BAYH. You're right about that, Mr. Chairman. I can easily see the secret to your——

The CHAIRMAN. They vote. They vote.

Governor BAYH. Well, constituents and mothers-in-law are also important, so I am personally grateful to you. I wanted to point that out here today.

I would also state, at the risk of stating the obvious, we're very proud of our many natural resources in the State of Indiana. Foremost among them are our people. Foremost among those natural resources I would place Congressman Pete Visclosky. He has worked very, very diligently on behalf of the citizens of northwest Indiana, and I have been personally grateful for the support that he has brought to many of the projects—indeed, all of the projects I will be mentioning here this morning. So, Congressman Visclosky, we're grateful to you, along with Chairman Anderson, for bringing the committee to us here today to hear first hand about the needs of northwest Indiana. I want to publicly thank you for your leadership in the area of infrastructure and transportation on behalf of the citizens of our State. We're grateful to you.

Mr. Chairman, I have submitted written testimony. I will summarize my comments, trying as best I can to meet the three to five minute time limitation, and then I would be happy to respond to any questions that you might have.

I think it is very appropriate that the committee has chosen northwest Indiana as the venue for this meeting. Northwest Indiana presents our State with some of its greatest challenges, and also its greatest opportunities, in the area of transportation infrastructure. Your comments were right on target. Northwest Indiana is a perfect example of how transportation, both surface transportation, rail, ports, airports, the development capacity, have all contributed to the growth of economic opportunity and the creation of quality jobs for the citizens of our State.

You are also right on target when you say the infrastructure investment is directly related to international competitiveness. I think it is vitally important that we continue the partnership at the Federal, State and local levels to increase our Nation's and out State's investment in infrastructure improvements because that means quality job opportunities for the citizens of our State, and particularly in a vibrant and growing area like northwest Indiana. So I want to thank you for meeting here today. I think it is very, very important.

I would like to just touch upon a couple of the highlights of the challenges and opportunities that confront our State here in northwest Indiana. The Borman Expressway, which you had an opportunity to travel on personally earlier today, is the busiest in the State of Indiana, handling well over 135,000 vehicles per day, and it has one of the highest concentrations of heavy truck traffic to be found anywhere in the United States of America. And you're well aware of what that means as far as pavement serviceability.

The State has responded to these challenges, along with Federal assistance, by expediting our efforts to improve the Borman's capacity to handle this traffic. In particular, four interchanges have been expedited, tens of millions of State dollars have been spent. Alternatives to the Borman to relieve some congestion, particularly a southern expressway, have been considered. We, along with the Federal Government, are studying the possibility of lifting the tolls on the Chicago Skyway and the Indiana Toll Road as an incentive to relieve congestion on the Borman. It is a vital transportation link, and the State and local authorities have emphasized it. We are grateful to the Federal Government, to you and Congressman Visclosky, for the help you have given us in this regard, and we intend to continue to do all that we can to improve this vital transportation link.

Probably the greatest economic development project in the entire history of the Midwest relates to a transportation development here in northwest Indiana, specifically the potential for siting the third Chicago regional airport in the City of Gary, on the site of the existing Gary Airport into which you flew earlier today.

Without getting into all the technicalities, because many of those are currently under study, let me say I would like to take this opportunity to ask this committee to use your good offices to see that the decision is made on the basis of the merits and not on the basis of parochial and political considerations, because I'm convinced if the siting decision for that airport is made upon the basis of the merits—the convenience of the traveling public, the number of jobs to be created and so forth—that the ultimate site for that airport will be in the City of Gary at the airport you flew into earlier today.

Amtrak, as has previously been mentioned, particularly the Calumet Line between Valparaiso and the City of Chicago, we have at the State level awarded NICTD, the Northern Indiana Commuter Transportation District, $80,000 for a feasibility study, that is not yet fully completed, to determine whether, through a combination of local and State support, that line can be maintained. I would urge this committee to use your good offices once again to extend the deadline through June 30 of next year to give the local authorities an opportunity to assess the feasibility of local support for this line, to preserve what is a very, very important rail piece of transportation infrastructure for our community.

Likewise, with the South Shore Railway, we at the State level have, for the first time in the history of the State of Indiana, provided an $800,000 discretionary grant for a rail program, the South Shore Railway, a vital link between the Greater Chicago Metropolitan Area and northwest Indiana. We have committed to supplying $4.5 million for new cars for the South Shore Railway, which we hope will improve both the quality and the efficiency of their service. We are currently negotiating with UMTA at the national level for an additional $38 million to support this vital rail link.

I am convinced that the South Shore is one of those key areas that Congressman Visclosky mentioned that allows our population to grow and jobs to be created in northwest Indiana. We look forward to maintaining the strong Federal, State and local commitment to maintaining that vital link.

The Port of Indiana, one of our bits of transportation infrastructure you will not get to visit today, is one of our three premier ports in the State of Indiana. It is vital and growing, and it handles international cargo from the St. Lawrence Seaway and the Great Lakes. It has recently been the site of the construction of a new steel mill, and it is a part of our infrastructure and a key element for economic progress in northwest Indiana.

Finally, Mr. Chairman, let me mention several things. We meet in northwest Indiana, but there are several other projects that are very, very important to the well-being of all 5.5 million Hoosiers. Particularly there is the Hoosier Heartland Corridor linking the City of Lafayette with the City of Fort Wayne. It runs directly through Congressman Jontz' district. He has petitioned me often on its behalf. I am sure, if he did not have an opportunity to mention it earlier today, he would wish for me to do so. It is vitally important. Also, the Evansville to Indianapolis Expressway. It's an important part of the national transportation network that was excluded from the original interstate highway construction system. We hope to have that included at some level of Federal support in the Highway Reauthorization Act or future Federal initiatives to complete and fill out the national interstate highway system. It's vitally important to an entire quadrant of our State.

Finally let me touch upon what I know is of primary interest to you and to Congressman Visclosky as you look to the next session of Congress and the reauthorization of the Highway Act. I know that you are looking for States and local communities to do their fair share. I want you to know that we in the State of Indiana intend to be complete and full partners in participating in the improvement of the infrastructure network of our State and, indeed, of our country. We have instituted, as you mentioned, a Build Indiana program, putting in during the next two years an additional $40 million of our new lottery proceeds into highway funding in our State. I had requested the State legislature to provide $100 million and we were successful in getting $40 million. I have not given up my efforts and continue to lobby our State legislature. I am reasonably optimistic that we will see additional funding from the State lottery into highway improvements in our State.

We have put into place a ten year comprehensive program so that no longer will funding priorities for highways in the State of Indiana shift with the prevailing political breezes. We have put into place a program that we think makes senses for all Hoosiers, regardless of partisan preference, and we intend to pursue that program during the next decade.

Finally, I would like to salute the head of our Department of Transportation, Christine Lutz, who is with us here today. Christine is in the back, Mr. Chairman, if she would please stand up. She came to us from the private sector, with one of our Fortune 500 companies, the Cummins Engine Corporation, and she has brought a great deal of professional expertise to professionalizing the Department of Transportation in the State of Indiana. We have streamlined the department and have cut overhead, and we are literally doing more with less overhead tax dollars. We are putting more of the tax dollars into pavement, which I think is where they belong, and I would like to salute her today.

Finally, with regard to the funding formula, many citizens in our State are probably not aware that the State of Indiana is a donor State and that we currently receive 85 cents on every tax dollar we send to Washington for highway improvements. We receive the 85 cents thanks to the minimum allocation. I would like to encourage this committee to support at least the minimum allocation in the Highway Reauthorization Act so that States like Indiana can continue to meet our highway funding needs.

We, of course, support streamlining the formula. I understand today there are 60 different funding highway categories. It is our recommendation that that be reduced to two, one for highways of national significance and, secondly, one for maintaining the current infrastructure. We would request most respectfully that more flexibility be granted to local authorities in distributing those funds for maintaining current highways.

Having said all of that, Mr. Chairman, I would again like to thank you for joining us today. I would like to compliment Congressman Visclosky for his dedication. I hope you have a very pleasant stay with us and we are most grateful for the full and complete partnership which I see developing in the area of improving our State's and Nation's transportation network.

Thank you.

[The prepared statement of Hon. Evan Bayh appears on p. 1952.]

The **Chairman**. Thank you, Governor, for your informative statement.

As the committee considers reauthorization of the highway legislation next year—as a matter of fact, that's what our hearing was this morning when I left—what issue is most important or critical from your perspective? I know you outlined some of them earlier. I thought you might zero in on which issue is the most critical.

Governor **Bayh**. Looking at the broader picture, Congressman, the needs for northwest Indiana.

The **Chairman**. Well, I would say northwest Indiana, but I suppose it's also a part of the broader picture.

Governor **Bayh**. Well, let me touch upon two things. As I mentioned, the Gary Airport promises to be the largest economic development project in the history of the entire Midwest.

The **Chairman**. I've written that on the top of the page.

Governor **Bayh**. According to the experts, it promises to create up to 200,000 new quality job opportunities for citizens in this area. That is vitally important and that's why I humbly requested that the decision be made on the merits. I'm sure, with the good offices of all of us present, we will be able to achieve that result.

With regard to surface transportation, maintaining the minimum allocation and giving States greater discretion in the use of funds will enable the State of Indiana to address the concerns of congestion and safety, one example being the Borman Expressway. It's vitally important to allowing continued growth in our population in northwest Indiana and, most importantly, new businesses to locate here, with the assurance that their goods can reach the market and that their workers can reach their plants conveniently and in safety. So I would consider those two things to be most important—the Gary Airport and maintaining the level of funding, or hopefully improving the level of funding, for surface transportation, so that we can meet the needs of projects like the Borman.

The **Chairman**. In older industrialized areas, aging facilities needing substantial rehabilitation or replacement pose a problem, while in growth areas the existing infrastructure must be expanded and modified to accommodate new residents and businesses. Undoubtedly, Indiana is experiencing both of these situations.

Now, what steps has the State taken or can it take to assist local governments to meet their unique infrastructure needs?

Governor **Bayh**. Well, your question is ideally suited for this part of the State, Mr. Chairman. We have both new growth areas and revitalizing urban centers here in northwest Indiana. We currently have under consideration a very innovative program that has been advocated by the business and local leaders of this part of our State called Operation Bootstrap. This would provide additional funding alternatives to local authorities for such things as transportation improvement, specifically the South Shore Railway and some other areas of local transportation and infrastructure development. It is that kind of partnership. The Federal Government is encouraging the States to work in partnership, and the State is encouraging local governments to work in partnership with the State. This is a regional group, not just including the county in which we meet today, but two contiguous counties, which has requested the opportunity to raise additional local funds to meet the pressing local needs, particularly in the area of infrastructure. That is one thing that we're considering at the State level, which I think is really innovative, even if you look around the country.

The CHAIRMAN. Pete, would you like to ask the Governor some questions?

Mr. VISCLOSKY. Mr. Chairman, just a couple of things.

Evan, I have always thought that we have a couple of things in common, the first of which I think is a couple of wonderful political fathers. It makes me nervous when the two of them are leaning up in the back of a room "kibutzing" while we're up on stage.

Governor BAYH. I would concur with that.

Mr. VISCLOSKY. Obviously, I think the other thing is we both "married up" and I congratulate you on your coup with the Chairman. [Laughter.]

I guess one of the observations I would make, and then I would have a question about funding formulas in terms of the reauthorization, is that I do appreciate the commitment the administration has made to our area as well as other areas similarly situated throughout the State, in terms of a willingness to do more. I do think it's important for the Chairman to understand clearly that whether it's Operation Bootstrap locally, whether it's the Build Indiana fund statewide, that Indiana, and I think other States in the Midwest, for example, are willing to do more, to do their part. But again, we do need that strong Federal assistance.

One of the questions in anticipation of the legislative debate next year is formula. I'm just wondering if you have a sense of whether or not this State, or others in our region, have examined the possibility of looking at weather conditions and temperate variations as well as that differential that the Chairman pointed out, of the crushing need of maintenance in many of these areas in terms of input for formulas.

Governor BAYH. Congressman, your question is right on target. It's very appropriate, and I would like to take this opportunity, Mr. Chairman, to tell you that our Department of Transportation is working with a coalition of other States, including your own home State of California, to offer our State perspective on the new formula that is under consideration, to consider such factors as growth patterns, the density of use, weather conditions and things of that nature. So our home State of Indiana and your home State of California find ourselves moving along the same path as far as the formula reauthorization is concerned. We think it's good policy to consider such factors as climate changes and their effects on serviceability, the density of use we think is extremely important to consider, and several other factors.

So, Congressman Visclosky, our Department of Transportation has been working hand in hand with a coalition of other States, including California, and we find ourselves in agreement on the factors that we feel need to be included in the new formula. We look forward to having that placed in technical terms that I'm sure the committee will want to consider at some point in the future.

Mr. **Visclosky**. I appreciate that, Governor. I guess I would simply conclude by again thanking you for the additional State commitment in terms of projects like the airport and your close monitoring of the situation we now face with Amtrak. We certainly will make every attempt legislatively, through Public Works as well as the Energy and Commerce Committee, to ensure continuation of the Amtrak service. We will stay in touch with you as we progress.

Governor **Bayh**. Thank you, Congressman.

If I could just make two points in closing, Mr. Chairman, one example of the kind of partnership that I think benefits us all—and I assume we'll be hearing from the Mayor of Gary later today—is what is taking place at the Gary Airport. For the first time in the history of the State we have provided a $500,000 grant to the city for the airport, which leveraged—correct me if I'm wrong, Pete—about $7.5 million of Federal funding that you were instrumental in obtaining for that site. So, Mr. Chairman, here we have a city that is very much interested in this development providing their own expertise and funding, with the State pitching in, and the Federal Government pitching in as well, to improve what we hope will be an exciting economic development facility.

The final thing I would like to mention—Pete, you were very kind to once again mention the Build Indiana fund. Mr. Chairman, let me just concur in what the Congressman said. We in the State are not asking for a handout. We want to do our fair share. I know that all 49 of those States are coming to you asking for more money. We want to be full partners in that. We are providing more monetary resources for infrastructure development. The $40 million was just the beginning. Local communities, through the Build Indiana process, have put in several billion dollars of requests for local infrastructure improvements. Those are currently under consideration by a committee which will make recommendations to me for forwarding to the next session of the General Assembly. So we are in a position at the State level of providing more than $100 million of local infrastructure improvements each and every year, and many of these are going to relate to airports, to highway projects, and in this particular community perhaps to marinas and port facilities.

So we have made a major investment in infrastructure and, consciously so, much of that will go to the local level. We would like to work in partnership with you and at the Federal level with Congressman Visclosky. So, Pete, thank you, and thank you very much, Mr. Chairman.

The **Chairman**. Thank you very much. One thing that kind of relates a little bit to it is—I know somebody mentioned earlier the fact that we have some trust funds back there for highways and airports and transit—you mentioned all three of those. But as you're aware, we have kind of a new problem, where the Office of

Management and Budget, which is part of the administration, has taken those trust funds from us and we can't use the money. In the highway trust fund, we have close to $19 billion; the transit fund has probably about $6–$7 billion, and $8 billion in the airport fund. So we have about $35 billion sitting there that we should be spending for airports, highways and transit but they don't let us spend it. We have tried to take it off budget and it just sits there.

We had one vote on trying to take them off budget and we lost by five votes. We have 435 people voting and you come as close as five to winning. So we would like to make sure that out in the States, they can get information and ideas from their own Congressman, on how important it is that we be able to get to that money. So that's one thing we would like to get some help on.

Governor **Bayh**. Mr. Chairman, you can count on our help for that in the State of Indiana. As a matter of fact, I was reminded of that by the head of our Department of Transportation on the flight up today. So please count on us. I know you have a tireless advocate in Congressman Visclosky as well.

The **Chairman**. Thank you very, very much, Governor.

Governor **Bayh**. Mr. Chairman, thank you. I can assure you that at least one constituent is extremely happy with you. [Laughter.]

The **Chairman**. I just wrote a note down here. I'm going to make sure she gets another call. [Laughter.]

Our next witness is the Honorable Thomas V. Barnes, Mayor of Gary. Mayor, I want to welcome you. We're glad you could be with us today. Please begin.

TESTIMONY OF HON. THOMAS V. BARNES, MAYOR OF GARY, IN

Mayor **Barnes**. Thank you very much, Mr. Chairman. I want to welcome you certainly to our area, as others have already done, and I am certainly hopeful that my remarks to you will be of some significance and importance in your deliberations on the reauthorization of the Surface Transportation Act.

I can't help but, in a sense, restate our delight that you are here, at least for a couple of reasons. First of all, I understand this Reauthorization Act, of course, will be crafted by the Senate Environmental and Public Works Committee and, of course, this House Public Works Committee represented here, and very ably by its Chairman. I understand also there is only one individual from Indiana that is on both of those committees together, and that is our Congressman Pete Visclosky. So despite that fact of our limited representation, if you will, we have the Chairman of this House committee here in northwest Indiana and for that I am extremely appreciative.

I am also appreciative of the fact that you had an opportunity in coming here to see and to visualize and to experience to some extent one of the resources that exists in this area that has great potential. That, of course, is the Gary Regional Airport. There has been enough said at this particular moment on that. But I think for the Nation and for the State, and certainly for this community, we cannot afford to allow that kind of diamond to go too much longer being unpolished. So I am certainly hopeful that the comments here and any of the ability that you have will be utilized to influence those who will be making the decision to make sure, as the Governor indicated previously, that a decision based on the merits and the needs are, in fact, taken.

I want to just share here on the reauthorization of the Surface Transportation Act some thoughts. First of ail, there are three overriding priorities that the City of Gary shares with local governments across this Nation. I hope that there will be a movement to, one, restore the funding lost through the Eighties to highways and transit; two, to remove the Federal barriers to State, local and private sector participation in federally funded projects; and three, to distribute funds on the basis of transportation needs such as more funding for areas of high traffic congestion, urban areas, and not just high mileage rural areas.

Our needs in this area of surface transportation are many and broadly based. Unlike some issues, transportation touches the lives of every single citizen in northwest Indiana. It does so on a daily basis. Increasingly, local government is being asked to pay a greater share in the cost of providing the means to travel, a share that we cannot afford.

In the City of Gary, we are currently undertaking a significant road project. I think it's one that is good for a number of reasons. It is the widening of Grant Street. This is a major thoroughfare in the city. The project has been on hold for ten years, ten years in the making. Why? Obviously, there are a lot of reasons, but one of the reasons is that we have had to come up with the local dollars in order to match what the Federal Government had made available to us. Fortunately, through a combination of local dollars and State participation, with the Federal Government, we see the real essence and the importance of that partnership, if you will. This project is moving now, and it is moving because we are able to come up with those local dollars.

But it has been difficult. It is difficult for us to meet it on the basis of a 90/10 grant situation. I know there has been some discussion of a change to 75/25 or a 50/50 plan. If implemented, that would make our situation hopeless.

This financial difficulty that we face here in northwest Indiana and in Gary is not limited to road projects. Public transit infrastructure is affected as well. The situation with the city's public transportation system, which provides bus service throughout the city, is just as dire. For the past four years, the operating budget allocated to the Gary Public Transportation Corporation has decreased on a yearly basis by $250,000 to $300,000. For some time, we have been able to make ends meet by trading some of our capital dollars for operating dollars in another jurisdiction, at a disproportionate exchange rate, I understand. But we are now between the proverbial "rock and a hard place" because our rolling stock is aging and we need our capital dollars making the chances for future bartering even slimmer.

We are not insensitive to the fact that the Federal Government cannot carry the load itself. We understand that. Perhaps that's the importance of the unique experiment, if you will, that three counties right here are making over the last few months. That is what you heard referred to as Operation Bootstrap. Operation Bootstrap represents an opportunity for us to determine how we can pool some dollars together, if you will, through a new tax in order to meet some of our own needs at an even greater level.

But, with the current formula that we've looked at, the Operation Bootstrap revenue would represent some $33 million of additional revenue per year, which is not a small amount, and yet, the needs that have been projected based on the needs analysis represent some one billion dollars. So you can see there is still a tremendous role that has to be played we feel, not just by our State which has been involved with us in this partnership, but certainly by our Federal Government.

We think the dollars generated from local initiatives, as well as those under the Act, are of critical importance to northwest Indiana's economic growth. These dollars provide the much needed means for localities to provide congestion free access to businesses. Good transportation infrastructure is also a proven element, as you know, in terms of attracting new businesses and spurring residential development. These are things that we need in Gary, IN. These are things that we need in northwest Indiana. What we are asking for is that the Federal Government reach out, as we reach out to each other, along with the State, in forging a partnership that we think can place some huge dividends for all of us.

Thank you very much, Mr. Chairman.

[The prepared statement of Mayor Barnes appears on page 1947.]

The **Chairman**. Thank you, Mayor. You almost answered my question, but I will ask you: As the mayor of an urban city right across the State line from—I could say but won't say—a suburb of Chicago, an even larger urban city, you undoubtedly must have to deal with many problems common to both. What effect does that State line have on how you handle your mutual problems and do you think that our Committee should be looking into a regional approach on some of these issues to help resolve problems that do cross State lines?

Mayor **Barnes**. I think it's impossible, Mr. Chairman, for us to ignore the real essence of the question you raise right here. We're dealing with it here in terms of transportation, but in every facet it is impossible for the City of Gary, for northwest Indiana, to not be affected by the tremendous metropolitan area that we are a part of, the Chicago metropolitan area. And while we, of course, look at Chicago more or less being a suburb of Gary, I think the essence of what you're saying certainly holds true.

We have a tremendous amount of problems that exist here, but we don't have the funding capability to meet all those needs. That is true relative to transportation, surface transportation, et cetera. It also deals with other areas that we're involved with, whether it be in terms of fighting crime, you name it. We're in a huge area.

They have the resources often to deal with some of the impact of that to a much greater extent than the smaller area here does. Certainly I think it's something that the Federal Government needs to take a look at in terms of balancing the equities.

The **Chairman**. The development of the Gary Airport as the third major regional airport would require a tremendous investment in other supporting infrastructure investments. Would you be able to fund other necessary infrastructure investments such as access roads, possibly bridges and everything else? To get a big active airport, the kind you're talking about, it will bring in all kinds of other infrastructure things. How would you handle some of those?

Mayor **Barnes**. We are confident that we can. This is one of the primary issues that we see now, the study that is now going on in our own areas. That is one of the reasons that the State has recognized this is not something that Gary can do, and it's not something that northwest Indiana can do. It is something we have to do in partnership with the State.

We are convinced that when the real picture is shown of the significant economic advantage that this provides to northwest Indiana and, in fact, to the entire Chicagoland area, it is going to represent the least expensive investment that can be made if we're going to preserve this huge transportation need that has been met to a large extent but here lately has not been met. It has really been causing this entire area to erode in terms of its overall air transportation capability.

We are convinced that the kinds of investment that the Federal Government can do, and also in terms of the private sector, they will see this as the very best means for us to spend dollars. Not only that, because of the existing infrastructure, the existing highway networks that certainly need to be enhanced, they don't have to be reinvented. That is going to represent a very inexpensive, comparatively, way of approaching the air transportation needs in this entire area.

The **Chairman**. Congressman Visclosky, do you have any questions of the Mayor?

Mr. **Visclosky**. Mr. Chairman, I don't. But I do have a statement.

Mayor, I think you brought up one telling point, and that is for the Federal Government to join the debate about the reauthorization of the highway bill, to talk about giving local officials such as yourself, the mayors, increased flexibility, and then to stop there is missing the point. It refers there to the testimony of the Secretary of Transportation Skinner in March before our full committee, which the Chairman chaired.

The fact is, in that testimony Sam Skinner talked about improving the lot of locales and States by granting them that increased flexibility, flexibility to raise new taxes, whether it be through toll mechanisms or other options, such as you have talked about with Operation Bootstrap. In the end, if that's as far as the administration goes, or in our case, the Congress goes, in terms of reauthorization, then we're simply paying a cruel shell game with you by taking moneys proposed in Operation Bootstrap and supplementing the lack of Federal commitment with them. We are essentially misleading the local communities and the State if we do that.

It is one thing to say you must do more, as you point out in your statement. But if there is not going to be that increased Federal commitment, we might as well not be here today having this discussion. I think that's the point that has to be made in hearings like this and I appreciate you for bringing it up.

Mayor **Barnes**. Thank you very much.

Mr. Chairman, thank you again for you and Congressman Visclosky being here, for asserting your efforts and seeing that the Chairman was here on this particular day. We certainly stand ready to assist in any way that we can in providing information relative to the needs here, and certainly some of the ideas and thoughts that we have in terms of how we approach them.

The CHAIRMAN. Thank you, Mr. Mayor.

I want to warn you about something, too. Being mayor, I was mayor of my city 51 years ago, and I'm still working. You never know what it brings to you. This is 51 years right now. So watch it. It could happen to you.

Mayor BARNES. Mr. Chairman, you probably can also testify that I'm sure life is a lot easier now than it was when you were mayor. [Laughter.]

The CHAIRMAN. Yes, it is. But one of the nicest jobs I ever had was mayor. It's fun being down there with the people right where the problems are. It's a little different being 3,000 miles away.

Mayor BARNES. I certainly agree with that. Not only that, I think we are very fortunate for the reason I mentioned your being here, but certainly the broad experience that you have had. You bring some expertise to this whole issue that otherwise might not be available. We really appreciate it.

The CHAIRMAN. I might wind up by saying you're also fortunate in one way. You've got Pete Visclosky as your Congressman.

Mayor BARNES. We agree with you wholeheartedly.

The CHAIRMAN. Thank you very much, Mayor.

Mayor BARNES. Thank you.

Mr. VISCLOSKY. Mr. Chairman, I might simply ask leave to have the statements of the Mayor of East Chicago, the Honorable Robert Pastrick, and Mr. Ronald Bradley for the town of Highland, and statements from the communities of Highland and East Chicago entered into the record.

The CHAIRMAN. If there is no objection, so ordered.

Next we have a panel composed of Mr. David S. Williams, Commissioner of Public Works for the City of Chicago; Mr. Bud Polk, Executive Director of the Calumet Area Industrial Commission, Chicago; and Mr. Jim Ranfranz, Executive Director of the Northwestern Indiana Regional Planning Commission, from Highland, IN.

You can start in the order in which you were introduced, if you want, or however you want to proceed. I will call on Mr. Williams first.

TESTIMONY OF DAVID S. WILLIAMS, COMMISSIONER OF THE DEPARTMENT OF PUBLIC WORKS, CITY OF CHICAGO; ROTHWELL CONWAY POLK, JR., EXECUTIVE DIRECTOR, CALUMET AREA INDUSTRIAL COMMISSION; AND JAMES E. RANFRANZ, EXECUTIVE DIRECTOR, NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION

Mr. WILLIAMS. Thank you, Mr. Chairman. It is certainly a pleasure to be in northwest Indiana this morning. After the testimony of the Mayor and also the Governor, I feel like a thorn amongst roses.

Before I start, let me say we certainly do appreciate your efforts in recognizing infrastructure needs in the entire country, primarily those of transit and rail bridges, water treatment, et cetera. We certainly applaud your efforts in that area.

My testimony this morning, however, will be confined to the Chicago Skyway. The City of Chicago is responsible for the Chicago Skyway, which is a designated segment of Interstate 90. The Skyway is a 7.5 mile toll bridge facility on the southeast side of Chicago connecting the Dan Ryan Expressway, which is part of Interstate 94, with the Indiana Toll Road, which is Interstate 90 in Indiana. The Skyway currently carries approximately 20,000 vehicles a day, which is less than half of its capacity. The nearly parallel Calumet Expressway, which is a toll-free facility, carries about 80,000 vehicles per day and is severely congested on a regular basis.

The Skyway was constructed with revenue bonds by the City of Chicago in 1959 at a cost of about $101 million. Its current traffic volumes generate approximately $15.8 million a year in toll revenues. This $15.8 million is allocated roughly $3.6 million on the interest of the debt, $5.5 million for capital rehabilitation, another $5.5 million for operating costs, and $1.2 million for insurance.

The toll revenues have never been, nor are they ever projected to be, sufficient to pay the principal. The Skyway tolls are $1.75 per car and average $5 per truck. Up until this year, tolls have been regularly raised by court order to assure payment of interest to the bondholders. But the court rejected the bondholders' latest request to raise the tolls to $2 per car because a further increase would be counterproductive.

The $101 million in principal owed to the bondholders remains outstanding and will remain outstanding until a new funding mechanism is found.

In addition to the principal, the Skyway needs $75 to $100 million in major capital rehabilitation work. Although the Skyway is a designated segment of Interstate 90, it is not eligible for Interstate 4R funding because the State of Illinois and the City of Chicago are required by Federal law to enter into an I-4R funding agreement before these funds could be made available for the Skyway.

While the city is faced with the need to maintain and improve the Skyway and to pay off its bonds, the State of Indiana is facing severe congestion on the Borman Expressway which parallels the lightly used Indiana Toll Road. The city is a participant, along with the Illinois Department of Transportation and Indiana, in a federally-financed study of how best to relieve the congestion on the Borman Expressway.

One of the solutions being studied is to pursue a Skyway toll reduction or elimination strategy to divert traffic from the Borman to the Skyway/Indiana Toll Road route. This approach could be the cheapest, fastest way of alleviating the existing traffic congestion on the Borman. Eliminating Skyway tolls would require retiring the bonds. Thus, in one action, the Skyway's financial problems and northern Indiana's congestion problem could be relieved.

The interstate congestion/underutilization problem in northwest Indiana and the adjacent Chicago urbanized area in Illinois is probably unique in that the narrow corridor on the southern shore of Lake Michigan has one interstate that is toll free and a somewhat parallel interstate, the Skyway/Indiana Toll Road. While the motoring traveler can save approximately 20 miles or 20 minutes of travel time by taking the Interstate 90 alternative, it will cost him just over $2 in tolls. It is obvious that underutilization of Interstate 90 because of the tolls is contributing to the congestion of the toll-free Interstate 80/94 Borman Expressway. It is unusual to have toll interstate facilities and toll-free interstate facilities in the same corridor competing with each other.

We would greatly appreciate your attention to this interstate congestion, underutilization, and funding problem in the 1992 Reauthorization Act. It is hoped that the Borman study will result in more specific recommendations which address not only the Borman's congestion, but also the related problem of funding the underutilized Skyway, which is a part of Interstate 90.

[The prepared statement of David S. Williams appears on p. 2016.]

The CHAIRMAN. Thank you, Mr. Williams. I will hold my questions until we've heard from all three of you.

Mr. Polk.

Mr. POLK. Thank you for the opportunity to testify, Mr. Chairman.

The CHAIRMAN. You're Director of the Calumet Area Industrial Commission.

Mr. POLK. Yes. My name is actually Rothwell Conway Polk, Jr. "Bud" is a little easier to remember. I happen to be a resident of the town of Porter, IN and a constituent of Congressman Visclosky.

I am here today in my official capacity as spokesperson and Executive Director of the Calumet Area Industrial Commission, or CAIC, which is a 22-year old, not-for-profit economic development agency, a membership organization of industry and related enterprises in the south metro area of Chicago.

CAIC's position is based on two principles. First, to maximize the use of existing transportation networks and infrastructure, because we all know, to build new highways, new infrastructure, it costs many dollars. Second—and this came up in the testimony from Mayor Barnes—is the imperative need to plan regionally. CAIC recognizes that northeast Illinois and northwest Indiana are one region. It's economy is inextricably bound together. In spite of the decline of the steel industry, the southeast side of Chicago and northwest Indiana remain the largest steel producing and steel processing region in the world.

There are many people who live in Indiana and work in Illinois, or who live in Illinois and work in Indiana. I have a board of directors of 27 members. All of them have businesses in Illinois. Nine of them live in Indiana, as do I, even though I work in Chicago. It makes no sense to talk of the traffic and transportation needs of northwest Indiana without considering where those vehicles are going to or coming from, and that is the Chicago metropolitan region. And so our second principle is that we strongly endorse and strongly encourage regional planning between northwest Indiana and the Chicago metro region.

Based on that, we have a number of suggestions. I concur with Commissioner Williams. Based on anecdotal as well as statistical evidence, I have driven the Indiana Toll Road and the Chicago

Skyway. It's virtually deserted. We need to find a mechanism to reduce or remove the tolls from the Chicago Skyway.

One of the reasons is that 40 percent of the traffic on the Borman is truck traffic. Much of that traffic is headed into Chicago because of the interstate commerce. By alleviating the tolls—the Commissioner said the average toll for a truck is $5. It can be as high as $10 for a truck to get through the Skyway. If we remove the tolls, then we remove much of the traffic from the Borman.

A second issue related to the Skyway which again would help alleviate congestion on the Borman is to develop new exits on the Chicago Skyway, particularly at 95th Street, so as to service the Illinois International Port, the Iroquois Landing, which generates a lot of truck traffic. It's a containerized facility. So an exit off the Skyway at 95th would take some of that traffic off of the expressways.

Another suggestion of the Commission is that we extend Cline Avenue west into Chicago. You mentioned that you had done some driving on Chicago. If you want to die, go and lay down on Cline Avenue west of Indiana Harbor. The reason you will die is not by being run over, but you'll starve to deal because there's no traffic there. It ends near Wolf Lake, and we need to look at routes to connect with other transportation networks.

I want to talk now about the South Shore and mass transit. The most used station of the South Shore Railroad is not in Indiana. The highest volume of traffic is in Chicago at the Hegewisch station on the southeast side of Chicago. The Commission suggests two things: The development of another station in southeast Chicago, perhaps at 130th Street, somewhere near the Calumet Expressway, and that the CPA, the Chicago mass transit, be extended and linked with the South Shore. Then, if we had this kind of mass transit, we again might be able to eliminate some of the auto traffic on the Borman headed into Chicago.

Our last suggestion is that the heavy steel corridor which exists in northwest Indiana—and that's a corridor which allows a special truck called a "Michigan Train" to carry steel coil, which is sometimes twice the load limit, a specially designed truck—we have such a corridor in Indiana at this time. We suggest a Federal demonstration project to extend Indiana's heavy steel corridor into the State of Illinois, and then to extend that to service the east side of the Illinois International Port, also at 122nd Street, also at 95th Street, the Iroquois Landing, and then to extend it further down 130th Street.

Because, you see, if you ride the Borman all day long, you see these large trucks with coil. Where they're going is not some State far west. They are going into Chicago, to steel service centers, for the coil to be processed. Then that coil is used in the fabricating plants in Chicago. Chicago is the largest steel fabricating region in the United States. So by extending the heavy steel corridor, we actually reduce the number of trucks using the Borman or using other routes, because they can carry a larger and heavier coil.

In conclusion, let me emphasize again that the Commission feels that we have regional problems and that they call for regional solutions.

The **CHAIRMAN**. Thank you.

Mr. Ranfranz.

Mr. **Ranfranz**. Thank you, Mr. Chairman. I have prepared remarks and have submitted those to the committee. I think, rather than reading them to you, I will try to paraphrase what that says and try to emphasize some of the points that were made by other speakers and try to raise one or two new ones for your consideration.

First, I, too, on behalf of the 39 cities and towns that I have the pleasure of representing at the Northwestern Indiana Regional Planning Commission, would like to extend our welcome to you to be here at Indiana's north coast. I could not imagine the committee picking out a better place to come hear testimony about transportation problems because I believe strongly we have here in northwest Indiana a microcosm of the national transportation problem, whatever mode you would choose to look at. Indeed, if I had my druthers, Congressman, what I would do is have a mobile hearing so we could go around and see some of these problems and you could carry that information back on a first-hand basis to Washington.

The **Chairman**. Don't you think we're doing that?

Mr. **Ranfranz**. Indeed, you are. I just wish we could get you over more of the territory. I would like to get you on the Lake and let you see what that's like.

First I want to thank you for the action that the Congress has taken in appropriating a half-a-million dollars to the States of Illinois and Indiana to do the Interstate 80/94 congestion relief study. Aside from the opportunity to direct funds at a particularly difficult problem that's been referenced here in the past, there is an aside that I think is appropriate. What we're seeing as a result of this activity is a far greater degree of technical and political cooperation and coordination across the State line than that which has existed in the past. I think this is an excellent example of the 3C planning process that our agency, as a metropolitan planning organization for northwest Indiana, represents.

We would urge you, in any restructuring of the Surface Transportation Act, to give serious consideration to reinforcing our ability at the local level to sustain this process. Metropolitan planning organizations, we believe, have an important role in the decision making process that involves local units of government in the way which we believe they should be involved.

This is done not without some cost. We are, indeed, constrained in that regard in Indiana. So please, as you give consideration to restructuring, pay attention, if you would, to the metropolitan planning process.

The proposal, as best we understand it, in the Highway Act for combined funding of highways and transit we think is a good idea, but it, too, will require an even more technically sound planning process. We think that is sufficient cause for you to again consider support to the metropolitan planning organization.

We also ask that you give consideration in the structuring of formulas, as previous testimony has indicted. While we can make decisions at the local level, we do not have the resources, particularly in Indiana, the ability to raise resources to replace the resources that have been provided in the past.

There has been much testimony here about Operation Bootstrap. Our organization, together with a group called the Northwest Indiana Forum, is involved in the preparation of a legislative proposal that we are convinced will be introduced in the next session of the General Assembly. The point I wish to make is that it will require the action of the Indiana General Assembly to, in effect, take restrictions off of us at the local level so that we can raise funds to try to very much help ourselves in a way which is supplementary to Federal and State programs.

One other point. We think that Congress is very effective in passing laws that are probably very needed, the American Disabilities Act and the Clean Air Act, but our ability at the local government level to raise the revenue to respond to those problems, no matter how important they are to the environment or to human need, is very difficult. We urge you to give some consideration to the notion of the revenue capability to respond to those legislative initiatives.

Mr. Chairman, finally, as a particular frustration of mine, I call to your attention one additional notion. As we move into a new system, whether it's a highway system of national significance or a subset of that, that some consideration be given by the Congress to finding an opportunity so that those of us at the State and local level would have the ability to preserve corridors, or what I would call corridors of the future. We have had examples here of folks calling for the extension of certain roadway facilities. Our ability to do that now is severely constrained by our inability to acquire in a rapid fashion routes to preserve corridors. Whether those corridors are transit corridors or highway corridors, we believe there has to be some shorter term ability to preserve the paths for the future. Eight years from concept to concrete is far too long a period of time for us to really save what needs to be saved.

I think at this point, Mr. Chairman, I will end my testimony.

[The prepared statement of James E. Ranfranz appears on p. 2011.]

The **Chairman**. Thank you very much. Your full testimony will be made a part of the record. My questions will be directed to all three of you, so one or all of you can answer the question.

Is it totally out of the question for the City of Chicago alone, or in conjunction with the State, to subsidize the Skyway in some way in order to reduce the toll rate, or even to bail it out entirely, as a means of encouraging its greater use and reducing congestion on other expressways?

Mr. **Williams**. I guess the question is, Mr. Chairman, whether or not the city can reduce the toll. I think there are a couple of answers to that. One is that it was floated as a revenue bond item back in 1959. As a result of that, there are bondholders that are holding the bonds and who are expecting payments. As a matter of fact, just a couple of years ago, we were able to meet just the interest payments, but no principal has been paid at this point. So, in 1995, we have a $101 million liability that the bondholders are expected to be paid for. We have that on the one hand.

On the other hand, which I guess is the same hand, we have about $75–$100 million of capital needs. The entire structure is all on bridges, about 7.5 miles of bridges, and those bridges, in this temperature here, deteriorate with the salt and the snow and extremes in temperature. There are piles and there are all kinds of structural problems with this facility, not to the point where it will break down tomorrow, but we have to maintain it with some kind of preventive maintenance schedule, which we don't do and should do more of.

So I think it will be almost impossible at this point to reduce the tolls. One, we have the bondholders who are expecting their interest payments and, in 1995, the principal. But certainly, if there was an infusion of capital into the system, wherever that infusion came from, whether it came from the Federal Government, State government or what have you, certainly that could go to the possibility of reducing the tolls, once the capital needs of the bondholders are met.

Mr. RANFRANZ. Mr. Chairman, I wonder if I might respond to that question in a slightly different fashion.

The CHAIRMAN. Go right ahead.

Mr. RANFRANZ. Again, I would like to emphasize your consideration upon completion of the Borman congestion relief study, because I believe very strongly there will be some unique opportunities identified that might call for congressional action that would be not what I would refer to as traditional kinds of highway or congressional responses to severe traffic problems of this particular metropolitan area. They may call for the Congress to do things which they have not done, indeed, in the past.

We are not in complete ability to control our own destiny, as the Commissioner of Public Works from Chicago testified. The Federal court is responsible for the administration of the toll road, the Skyway. We have a Toll Road Authority that's been authorized under certain activities. I-80/I-94 itself, the freeway, has been constructed on the basis of congressional directive. If we are to respond to some of those problems, my point is simply that we may have to do something different that certainly will involve the action of the Congress in almost any one of those scenarios.

I just urge your attention to that study, sir.

The CHAIRMAN. Mr. Polk.

Mr. POLK. I would like to point out one thing regarding the cost. Commissioner Williams pointed out that there are $101 million in bonds outstanding, but that paper has been sold on the secondary market and has been discounted. Therefore, the actual cost of paying off those bonds might be closer to $25 million rather than $101 million. The paper has been discounted and sold on the secondary market.

The CHAIRMAN. Thank you.

Are there any alternatives or traffic management techniques being considered that would increase the use of the Skyway and ease the traffic problems on the expressways?

Mr. POLK. Mr. Chairman, there was a point that I wished to make in my testimony and forgot. In Illinois we have the Minuteman system, where the State has large tow trucks that are equipped to help motorists in trouble. I have read that delays on the Borman, 50 percent of them are due to what are called "incidents"; that is to say, mechanical breakdown, flat tires, people running out of gas or accidents. The Minuteman system in Illinois is considered to be a model and has been examined by many other

States. So when there is an auto accident, when someone runs out of gas, when there is some problem, the Minuteman, in close conjunction with the State Police, very quickly resolve the situation and keep traffic moving in Chicago.

Since 50 percent of the delays on the Borman are caused by incidents, it certainly should be suggested that a similar system be considered to be adopted in the State of Indiana, the Minuteman system with the State Police.

Mr. **RANFRANZ**. Mr. Chairman, I have two responses to your question, if I may. The first point I think is significant. Unfortunately, in northwest Indiana we do not now have a system, a balanced transportation system. It is a goal of ours. It is something which we are attempting to achieve over time. I would urge you, in consideration of the Surface Transportation Act, to keep in mind that balanced transportation in urban areas is essential, with the right component associated with public transportation. In this metropolitan area, we need, as previous testimony has indicated, a commitment of Federal resources to public transportation improvements. If, indeed, we are going to relieve our highways, we need that investment.

The second point that I wish to make, sir, is that we need, I think, a system which allows us to make improvements to the existing highway network in a fashion simpler than today's.

Signal timing. I have a raftfull of plans, Congressman, I could take you to in my office that, if implemented, would have made major improvements to the existing highway network. We don't have the dollars to accomplish those much needed improvements. Whether it's a signal timing system on the road that you front on, or the ability of the 16 cities and towns that use that road that it belongs to, we don't have the dollars to make the needed improvements. Your consideration in Congress in the restructuring of the Act, those kinds of projects can make for a relatively modest dollar a significant improvement in the ability to move traffic.

The **CHAIRMAN**. Mr. Williams.

Mr. **WILLIAMS**. Mr. Chairman, my one response here is I think the Chicago Skyway—I don't want to paint a bad picture here, but if the status quo remains, I think the traveling public can expect additional toll increases. I think that will also reduce the traffic on the Skyway and also the west end of the Indiana Toll Road, but it will also increase traffic on the free roads, i.e., the Borman. The facilities would deteriorate faster than they can be rehabilitated, and it continues as a toll road well into the year 2000.

I think there has to be some other options that have to be considered by the committee and Congress. Whether that is additional freeways, whether or not there's funds for rehabilitation, whether it's a bail out of the Skyway debt, whatever those options are, I think you have an opportunity here of an underutilized roadway that could relieve a lot of the congestion that is experienced in northwest Indiana. If that can be rectified, I think a lot of the problems would be taken care of.

The **CHAIRMAN**. What impact does the traffic congestion on the expressways have upon businesses and industry in the area?

Mr. **Ranfranz**. Mr. Chairman, I suspect you'll hear testimony about that by others that are present in this room, but I'll just get my lick in, if I may.

It has a tremendous impact. The Borman Expressway is truly, notwithstanding the sign on the Indiana Toll Road, Indiana's main street. The ability of our economy to respond in itself, right here in northwest Indiana, is adversely impacted in a severe and major way by the incredible congestion that exists already on the road. With such single dependence on this main street, our economic future is limited. We have plans, as I indicated earlier, for other improvements that are necessary. But key to those is the improvement along 80/94.

The **Chairman**. We are trying to come to people like you to get ideas of what you think we should be doing. Of course, the interesting thing is, wherever we go, it is a little bit different. The day before yesterday I spent close to a day in the City of New York just looking at their bridges. I personally visited at least—I'm saying 27, but I think it was even more than that—27 different bridges that were built 30, 40, 50 years ago at least. They're rusting. They use the word rotting from rust, but they're rusting. Had they been properly painted when they were first built 40 years ago, they would probably be just as good, they tell us. But when you don't paint the stuff, or don't put the right things on it—and the climate is different in different parts of the country—in New York, almost every one of those bridges is going to have to be rebuilt. It costs money to tear them down and rebuild them. It will be in the billions of dollars.

Of course, like I found out, originally the Federal Government helped with the money in building them, but then when they wanted to get some money to help maintain them so they could paint them and things like that, I guess there was a law against it. Obviously, today we know it's the best dollar we could have ever spent. If we would have given them some money to paint the iron before it was put up there, it would be in good shape today. Apparently, with weather in certain parts of the country and other things, minerals and things that are in the water in different parts is the thing that affects them so much. We learn this by going to New York or someplace else. Every place is a little bit different. That's why we're asking these kinds of questions.

Mr. **Williams**. I agree with you, Congressman. The same thing exists in Chicago. We have 43 movable bridges in Chicago, in which some are in this particular area, the Calumet River area, but there are also some downtown. Some of the rust in those bridges is such that—one of my engineers mentioned the bridges go up and down by memory at times.

But our projections for our bridges, the need for bridge rehabilitation in the City of Chicago runs about $40 million a year for the next ten years. So we're dealing with $400 million at this point. At the present rate, we have funding for the next five years of $20 million. So we have a $20 million gap in just trying to maintain the existing bridges.

The **Chairman**. Mr. Visclosky.

Mr. **Visclosky**. Thank you very much, Mr. Chairman.

I would like to start by thanking all three individuals on the panel, but especially the Commissioner for traveling from Chicago and giving us a day of your time.

In terms of topics, I would also like to at least briefly synopsize my situation in terms of the Skyway. I attach a lot of importance to the study that is currently being undertaken, examining not just the situation with the Skyway, but its interrelationship with other transportation needs and the Chicago metropolitan area and how we ought to best intentionally and uniquely deal with some of these questions.

I think even if we reached a perfect world, if you assume a perfect world is the elimination of the tolls on the Indiana Toll Road, where we're competitive, as well as the Skyway, that's not going to solve all of our problems. But I certainly do think that it would lead to an improved situation. I do think improved use of the Skyway has a multitude of beneficial impacts. I think, first of all, in terms of additional lane mileage, we avoid the whole question of time delay and acquisition of right-of-ways. If you look at it in terms of an environmental policy, I think it's a good one. If you look at it in terms of energy conservation because of a shorter distance traveled, it's a good one. If you look at the cost of maintenance because of a shorter distance of roadway, although obviously we're talking about a raised structure, in the end I think you're talking about fewer dollars. And if you're talking about ultimately the purpose of having the roadway and bridge there in the first place—and that's the productivity to our society, for both private individuals and commercial use—it's there.

One of the things I would want us not to do is to leave today with any doubt, in terms of the hearing record, about the magnitude of the problem or its potential cost. There is some difference, and obviously we're simply giving estimates in terms of what the potential is, ranging up to $100 million or more, if we're talking about rehabilitative cost, down to potentially $25 million. I must state that I think 25 and I appreciate, Mr. Polk, your observation that the bonds are discounted—it was only some months ago that I appeared on a panel in Chicago with some of the lawyers representing the bondholders. If I received any indication at that meeting at all, perhaps we're not talking about 100 cents on the dollar, but potentially we're not talking about market value, either. I don't hold you to the 25.

But, Commissioner, I guess, if you might want to expand a bit about at least some of the potential ramifications in terms of the costs we're really talking about here.

Mr. **Williams**. Yes. You mean the specific costs for what needs to be done——

Mr. **Visclosky**. The funding and work that needs to be done in terms of the options or lack of options for you, for the City of Chicago or the two States involved to pick up the entire load.

Mr. **Williams**. Let's talk in terms of the physical condition as we see it by the engineers that have given us some idea. This was a report that was completed last year. They have given us a figure of about $55 million that excludes design and inflation costs from last year. But items such as bridge and viaduct rehabilitation, roadway rehab and safety improvements, lighting, toll plaza, Michigan and

Indiana ramp demolition, those costs run right now at $55 million. I imagine, after inflation and design costs, that would probably be up in the area of about $75–$80 million.

The options, as I see them, as we talked about before, I think if we think in terms of additional freeways to relieve congestion on the Borman, I think that would probably be the most expensive option. The Indiana Toll Road and the Chicago Skyway still remain underutilized.

Federal funds for rehabilitation, we probably need, as I mentioned before, around $75 million to rehabilitate the structure. The Skyway would remain a toll road for at least ten more years, if we assume that the money came for rehabilitation only. We'll have some investment bankers to take a look at that issue, so don't hold me to that one exactly.

If we had a Federal bailout of the Skyway debt. we would need roughly—my counterpart here says somewhere between $25–$101 million. You're still talking money, I imagine, at that point. But additional funds will be needed for repairs, as we said before. So, you know, those are some of the general kinds of things that I see.

I don't think the status quo helps anyone. The status quo simply means that the Borman continues to be congested. The Indiana Toll Road and the Chicago Skyway remains underutilized and it just deteriorates faster because the money and the resources aren't there. Then eventually you'll have some kind of "doomsday" decision just to close it down because you don't have the money to fix it up. So that's how we projected out in the future.

Mr. **Visclosky**. I appreciate that.

The second thing I would want to touch on is the question of tolls and toll roads generally, not specifically in this instance talking about the Skyway. I think there is an element in terms of the reauthorization debate that tends to be simply spoken but not discussed, and that is an option in terms of increased revenues on toll roads. Let's talk about that specifically.

Assuming for the sake of argument that we're talking about coming up with additional moneys through some type of tax—and I won't ask any of you to make that assumption; let's assume it for the sake of argument—and secondly, all other things being equal, we're talking about an increase in terms of the gasoline tax to provide the additional Federal funding or potentially, the alternative use of tolls in the imposition of tolls for the construction of toll roads. Would any of you have preference or an opinion vis-a-vis the two alternatives, and would you care to make a comment? I think again we tend to simply talk about toll roads without baiting its efficacy vis-a-vis an increase in the gasoline tax.

Mr. **Polk**. Congressman, in answer to your question, both moderate tolls and a moderate gasoline tax. Rather than a higher gasoline tax or higher tolls, I can see a scenario where we had both as being more palatable, rather than people paying high prices at the pump because of a higher gasoline tax, or being irritated by high tolls on a toll road. They could both be kept moderate by having both.

Mr. **Williams**. Let me just say here, I think you have to have some combination of both. One, to start a toll road at this point does not necessarily help that part of the infrastructure that already exists. You can't put a toll road in downtown Chicago, for example. But there has to be a means to maintain that roadway. I assume the cost of that would come primarily from some kind of motor fuel tax. So you would need some kind of additional resources in the trust fund or, in some cases, State allocations of its own highway tax dollars to maintain that part of the infrastructure, that which is already there.

There is room for tolls. I think that as more demand for truck traffic and the movement of goods from point A to point B and the most efficient uses to transport those goods, I think the traveling public and also businesses should pay their fair share of that cost. From that standpoint, I wouldn't have any objections to those at all. But there has to be some combination of both.

I'm ducking the Skyway issue along those lines because I think that's a unique situation that has to be looked at separately.

Mr. **Ranfranz**. Who am I to disagree with two such experts as these. [Laughter.]

I would say, though, there has been some discussion that has been raised as one of the alternatives with respect to the Borman Expressway. But I would point out to you two things. One, there is a cost associated with establishing tolls, especially if you're going to establish them on a freeway.

There's a legal issue involved. You have paid for the road. How do we now go back and establish a toll road on a piece of the Interstate System? I think that's an issue that you have to address.

There's a bond indenture associated with the Indiana Toll Road that would, of necessity, have to be dealt with. It's been dealt with in the past, but it would have to be—there are real costs associated with that in any event. If everybody would agree on what the solution is for this particular problem, undoubtedly you would have to deal with it.

Mr. **Visclosky**. Mr. Chairman, I want to cover just briefly two other points. One is just to make a comment to Mr. Polk, who in his testimony talked about the possibility of a demonstration project. Mr. Ranfranz talked about our keeping an open mind about taking some unique approaches when the study comes back, in terms of the transportation system in northwest Indiana.

I think one of the procedural debates in anticipation of the reauthorization of the legislation being considered is whether or not there will be demonstration projects enumerated within the legislation, the controversy being should you simply have a national program in place to set formulas, or should you allow a demonstration project, the criticism being that sometimes it leads people such as myself to mischief. But I think both of you, in your own fashion, indicated that there are positive, rationale reasons why, because of the uniqueness of an area or problems you face for demonstration projects to be included in such legislative activity.

The last question is for Mr. Ranfranz, and that relates to the question of corridor preservation. I know Janet Moran and others have attempted to secure a right-of-way for the West Lake Line that you touched on, Jim. Would you care for a moment or two to potentially elaborate, because I do think it's an important point in terms of the difficulties you have experienced in northwest Indiana about anticipating the future, which I think has tended to be one of our problems in the past.

Mr. **Ranfranz**. Yes, sir, of course.

The issue of corridor preservation is one which applies, I am sure, not only to this urban area but to urban areas around the country. There has been a transportation plan in northwest Indiana in one form or another for the last 20 years. On that plan there have been corridors identified which have been clearly needed. Yet the resource capability to respond to the need has not existed. As a result, in one particular case there is reference to—the name has been identified as Cline Avenue. There has been talk about extending it to the north and to the west. Indeed, our plan for the last 20 years has been to extend it to the south. To do that today, we would have to buy a high school, innumerable housing projects, and notwithstanding the lack of local coordination, it would be a virtual impossibility to accomplish that.

The plans that we have on the books now call for the establishment of a south suburban expressway. Whether toll or free, that's another issue in that particular case. Yet, that's located in an area that is growing quickly. We are moving, in cooperation with the local units of government affected, having learned our lesson with the Cline Avenue extension, to try to preserve that corridor purely at the local level. We have yet the capability financially to get that done, and we have a willing State partner that is trying to assist. Yet the resources are not there to make an advance acquisition. So I don't know if that's responsive to your question, Congressman, but I believe very strongly that we have to design a system that responds much more quickly, the ability to respond more quickly, especially in those areas that are urbanizing.

Mr. **Visclosky**. Mr. Chairman, thank you very much.

The **Chairman**. Thank you very much for your presentations.

Mr. **Ranfranz**. Thank you.

The **Chairman**. Our next panel is a panel of two, Mr. Colin MacKenzie, Chairman, Transit Finance Committee, Northwestern Indiana Regional Planning Council, Ogden Dunes, IN, and Mr. Gerald Hanas, General Manager of the Northern Indiana Commuter Transportation District, Chesterton, IN.

Gentlemen, you can proceed in your own order. I would like to remind our witnesses, because so many have offered to help, we have several people to go yet. By agreeing to be here today, I must ask that all oral statements should be held between three and five minutes. Your whole written statement will be made a matter of the record. So just kind of help us a little bit. There are five after you.

TESTIMONY OF GERALD HANAS, GENERAL MANAGER, NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT; COLIN MacKENZIE, CHAIRMAN, TRANSIT FINANCE COMMITTEE, NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION

Mr. **Hanas**. We will do that, Mr. Chairman. I will hasten my presentation here. We will just leave the comments as filed. I would like to highlight a few issues that we have.

I am the General Manager for the Northern Indiana Commuter District. We own and operate the South Shore Railroad passenger service, which has been referred to in the past. In essence, we're next to a large metropolitan area and many of our commuters go into downtown Chicago for employment reasons. Our job at the commuter district is to manage this rail system.

We started this system actually in the early 1900s as an interurban system, and it still exists today. We became involved in it in 1976. The equipment was 50 years old, starting in 1926. So as far as infrastructure is concerned, we utilize our infrastructure to the maximum.

The success has been good in our 12 years of involvement. The Federal investment through UMTA has purchased new rolling stock. Ridership has doubled over that 12 year period, and where we had 3,000 people taking the train in 1976 with equipment that was 50 years old, once we were able to rehab that equipment in 1980 with the help of UMTA, we now have over 6,000 people a day riding the service. We move as many as 13,000 people on a two-way trip basis daily. The annual ridership is impressive. It has moved from about 1,700,000 people to 3.5 million people on an annual basis.

We think the Federal and the State investment over the years has paid off. They are very important benefits for northwestern Indiana that have resulted as a part of that investment. One is the reduced highway congestion. Two is there has been a real savings in gasoline not consumed as a result of individuals taking the train. There has been a reduction in air pollution as a result of trips not being made by automobile. This area has a problem with air pollution. We are EPA sanctioned, which further limits our ability to improve.

We have access to an employment market in downtown Chicago that may be really denied to some without train service being available. For example, our average rider is a single female, approximately 25 to 26 years old, who is earning somewhere in the neighborhood of $26,000 a year. Without an efficient rail system into that employment market, many of our residents here may be denied that type of employment.

What is important to us overall and nationally is the concept of a healthy functioning alternate transportation mode, alternate other than highway in our case. We have seen shocks to the system in petroleum prices that we really can't predict what's going to happen in the future, so it is important for us to maintain this infrastructure and develop it so that it's there and available in the event that things get worse.

We understand certainly in Washington the budget pressure is very difficult with all of you. There are ominous clouds on the horizon with respect to the sequestering of funds or Gramm-Rudman type of cuts, but we know that our highway system is not working efficiently, that there is congestion, excessive consumption of petroleum-based fuels and air pollution. We would like to continue to provide solutions that are available through the UMTA budget.

I know that certainly in your area it's hard to imagine that a metropolitan area like Los Angeles has, through its growth pattern in the last 30 years, has developed without a rail system. Now we see a dramatic turn around in your area with heavy rail systems as well. We are similar to that in that we are experiencing a lot of growth, and in order to have access into the City of Chicago and City of Chicago access out here efficiently, we think this rail system is especially crucial.

In particular, the overall funding to the State of Indiana and the UMTA budget, it is worth mentioning here that in 1981 we were receiving approximately $25 million for capital and operating assistance for the entire State. Now we're down to something like $21.5 million, an overall real reduction of $3.5 million. But when adjusted for inflation, it's something like a 42 percent reduction in purchasing power. So in order for us to develop the infrastructure that we have all talked about here this morning, we see a real decrease in funding and yet increased responsibilities through the ADA Act, the possibility of a Clean Air Bill that's coming up on your agenda further this year. So we think we're unique in this industry by seeing increased responsibilities and decreased funding.

I would add that, in particular, we have a couple of legislative issues that are crucial to us in the Surface Transportation Act. Northwest Indiana is part of the Chicago urbanized area, and as large cities advocate their policy on the UMTA budget, whether it's operating or capital assistance, we become part of that larger urbanized area policy. For example, large cities through the years have increased their local funding for operating the systems, whereas I think only six percent in the case of large cities are UMTA funding for operating assistance. In our case, 30 percent of our budgets for operating are UMTA assistance. So in northwest Indiana in particular, if the large cities are successful in eliminating operating assistance for more capital assistance, we're sort of automatically locked into that policy because we're in the Chicago UZA. That may not be in the long-term interest of northwest Indiana. Certainly it isn't right now.

We also make a pleading for some degree of coherency in the Federal legislation with UMTA, particularly 13(c) labor agreements that are required as a result of receiving Federal assistance. It doesn't make a lot of sense to us to receive Federal operating assistance which guarantees the continuation of a system, at the same time signing these agreements that provide long-term liabilities for reductions in force of employees. It's logical to have 13(c) agreements where there are capital facilities that may—for example, a ticket agent, putting in a ticket machine, those types of issues for labor agreements make a lot of sense. But in the operating world, where we're trying to receive funding for salaries and fringes, we're still signing those agreements. So we wonder, in the long term, if those are really necessary.

I know your time is limited today. I will just comment on those two issues in particular and let Mr. MacKenzie continue.

[The prepared statement of Gerald Hanas appears on p. 1971.]

The Chairman. Mr. MacKenzie.

Mr. MacKenzie. Mr. Chairman, I want to thank you for this opportunity. We are delighted to see you in northwest Indiana, and we're delighted to see our local Congressman, Congressman Visclosky, here today.

I am in a unique position of the general manager of a small manufacturing business in northwest Indiana, who does national distribution, uses our expressways and freight systems to get its product in all of our 48 contiguous States, and my role in transit in northwest Indiana is strictly on a voluntary basis. I find myself the chairman of our transit finance committee, which is a unique committee, in which I am a nonvoting chairman. There are five other participants who all vote, and they must be unanimous in their vote for the distribution of section 9 funds. You can imagine, with decreased funds, some of the problems that are involved in us reaching a conclusion in the distribution of section 9 funds in northwest Indiana.

I have given you written testimony that pretty much covers the pertinent issues, including the statistical facts on the number of vehicles and passengers and our needs in northwest Indiana. On one of my trips to Washington I spent some time listening to the transportation plan as formulated by Mr. Skinner's department. I include in my testimony this Transit 2000 plan. I suggest to you that I can't see how anything I would say would add more succinctly to what the national transportation problems are than what is incorporated in this executive report on Transit 2000. I thought it was outstanding. I think it is not only true today but I think it's going to be more and more true as time goes along.

I congratulate you for your approach to these hearings. I have some personal viewpoints that I would like to convey to you today. One has to do with the funding issue. You have been involved in this process for many, many years, and if you go back to the original planning that was done and the political considerations of how you fund the interstate system, five cents a gallon on 22 or 23 cent gasoline, it was an enormous problem, with enormous discussions, and it was almost unbelievable that it got done. If you take that five cents a gallon in terms of 1950 dollars and put it in terms of the 1990 dollar, and you look at the problems concerning fuel and energy, it seems almost inconceivable to me that the funding for transit problems is not related to the energy problems. That should be a source of revenue. That's a personal opinion and observation.

I was recently in Canada. I have been on the continent. Almost every place I go, where I put a gallon of gasoline in, those costs are reflected except here in the U.S.

That's the end of my statement.

[The prepared statement of Colin MacKenzie, with attachment, appears on p. 1984.]

The CHAIRMAN. First let me let you know that Pete Visclosky is recognized as a champion for public transit, wherein he works tirelessly for better transit. I want you to know he does that. I suppose I could suggest a demonstration project. We used to have quite a few in the old days and we don't get them so much any more. We can still fight for them——

Mr. VISCLOSKY. We could talk about that, Mr. Chairman.

The CHAIRMAN. Okay. Do you have any questions you want to ask?

Mr. VISCLOSKY. I do, Mr. Chairman.

Colin, the first thing I would like to do is thank you for putting the debate about a gasoline tax increase in its proper perspective.

We look back over the events of the last several months and, of course, we certainly can't anticipate in the end what happens at the meetings taking place at Andrews Air Force Base. But the idea, now that the crisis we face in the Gulf is going to be a prohibition in terms of any increase in the gasoline tax, I find disquieting.

In the end, I certainly recognize publicly that a gasoline tax is regressive. As a general principle, I don't care for their imposition. But obviously, now it's a part of the structure in terms of how we provide this for a dedicated service. I do appreciate the fact that you put it in a very clear perspective, in terms of your reference back to the initial tax.

You do, in your prepared testimony, indicate support not only for a spend down in the trust fund—and the Chairman has certainly talked about that earlier in his remarks—but also a potential increase. I wondered, first of all, without unduly trying to put you on the spot, Mr. Hanas, what your general sense is in terms of that revenue flow from the Federal Government. You talked also as well about the predictability of funding.

Mr. HANAS. We look to a national basis, for some policy there. The American Public Transit Association has done a lot of research on this issue. In the Transit 2000 report that Mr. MacKenzie referred to, it puts a lot of that in perspective. What they have simply said is that there's a grave inequity with the public transportation funding, where we have some dedicated gas tax funding, that it is now being locked up to pass off against the Federal budget. We see that the infrastructure needs are growing and growing.

Again, the highway system isn't working with the congestion and air pollution, but in order for us to really get off the mark and develop some of these systems, they are capital intensive, a lot of them, and you need capital funding to get started. If the Federal Government is not the initiator or leader of that movement, I think very little will get done.

Mr. VISCLOSKY. Let me ask as a follow up, in terms of the gasoline tax, let's assume a proposal is made—and it has been made; it's not an assumption—that you have an increase in the tax but that it's used for general deficit reduction. What is your position regarding that particular proposal?

Mr. MACKENZIE. What you're saying is an increase in tax to reduce the deficit?

Mr. VISCLOSKY. An increase in the gasoline tax but it would not be used for transit purposes; it would be used for general budgetary purposes.

Mr. HANAS. I think that would almost be like a breach of promise, in the sense that here we've had a part of the gas tax at least theoretically dedicated to public transportation. It is now sort of impounded or locked up. We're talking about a potential increase of a user tax and there is no parity in the system. We have a free highway system, in essence. I mean, the toll road is a good example. It's just an artificial inducement for people using the Borman Expressway because there's no toll there. I mean, if there was some balance, you could relieve some real congestion and air pollution problems.

The gas tax, as we have seen it through APTA, look at the prices in Europe or Japan. They are tremendously higher. We need that kind of tax support to be able to find real solutions to some of these problems, such as congestion and air pollution. To use the user tax, per se, and then put it in the general fund, I don't think is getting the job done.

Mr. **Visclosky**. If I might cover one other issue, that is corridor preservation. There has been a change, in terms of the psychology, in northwest Indiana, looking towards the future, looking to recapture lakeshore areas, for example, and looking ahead in terms of the development of an additional rapid transit line.

Would either of you comment on some of the earlier testimony, the discussion we had in terms of giving you greater opportunities prospectively to potentially preserved corridors?

Mr. **Hanas**. We find that to be a problem as well, especially for a rail system. It takes an eight-year development cycle, as Mr. Ranfranz commented, on highways. It's not unrealistic for a transit corridor, either. It is a real problem. As the corridors become available, largely from abandoned rail lines, when they become available, there's a long procedure there of abandonment through the Interstate Commerce Commission that one goes through. But right after that, the corridors can be chopped up An overriding authority, or at least some Federal legislation that would allow to put a damper on development for a certain period of time would really be helpful, because you cannot respond as quickly. The West Lake corridor, for example, there is potential there for that to be sold. We have not reached an amicable agreement with CSX on a long-term lease. While we don't think there's anybody that's going to buy it from a market point of view, it really would help to say, "Listen, this is a transportation corridor and it has to be preserved as such."

There are many of those corridors now that are lost, and to go back into eminent domain proceedings or whatever is extremely expensive and very backwards.

Mr. **MacKenzie**. Some method of preserving those corridors, you just have to do it. You can't abandon that type of potential for public transportation. The costs involved, it is only a fraction of what it would be if you go down the line 20 years and have to go back to eminent domain.

The two corridors that we're really talking about are preservation of service of the Valparaiso Line, of course, and then the West Lake. It doesn't make any sense not to preserve both of those.

I envision that 20 years from now you're going to be in a situation where the mode of transportation has got to change. It will change. Twenty years from now, the oil situation, you're going to be in terrible circumstances. Somehow or other, in the process of doing what we do in transportation planning, we need to be projecting.

The allocation of resources, dollars and leadership, to get that done is vital. We're talking about two transportation lines, the one from Valparaiso and the West Lake corridor. They are absolutely vital to what goes on in northwest Indiana.

Mr. **Visclosky**. One more point, Mr. Chairman.

Mr. Hanas, we talked earlier about the preservation of the Amtrak line. While you don't have any immediate direct responsibility, obviously one of the options we're going to be pursuing as of today in the Congress is some type of mandate that Amtrak continue operation of that service for a period of six months.

If the service discontinues at the end of this year, what is your observation in terms of the additional problems we might face locally, both monetarily as well as the individuals who depend upon it, if we don't simply bridge that six-month gap and allow the service to terminate temporarily?

Mr. **Hanas**. We have within the South Shore an alternate rail system that one could argue that could pick up those additional people. But as testified here earlier, because of the success of our service and reliability of equipment, our peak hour service now is like 120 percent capacity. We have many more riders than we do seats, and unfortunately, if the Valparaiso service were terminated, that would add substantially probably to the peak hour problem that we face now. So our ability to move those people on an alternate rail line is just not there. We don't have the capacity.

The destination is important, too, as far as downtown Chicago. If it were terminated, I'm afraid those individuals would have very little choice but to hit the highways and try to go down town or displace other riders on the South Shore and put them out of a seat. We have really crush load conditions, where we just can't accept more people. So I think it would be devastating, at least in the short run, not to continue that for six more months while the study goes on and determine other options.

Mr. **Visclosky**. Mr. Chairman, thank you very much.

The **Chairman**. I just wonder, now that you consider the costs involved to solve the transportation problems in northwest Indiana, how do you see the financial burden being shared by the Federal, the State and the local governments?

Mr. **MacKenzie**. That's a problem. We've had a problem for five or six years in which we have been long on capital dollars and short on operating dollars, in terms of section 9 funds. We have, of course, pursued very vigorously trying to be able to utilize all the section 9 funds that do come to northwest Indiana.

We have been forced to share with Illinois capital dollars in order to get operating dollars back. Part of it has to do with the type of funding that's taking place on the South Shore Railroad, where Federal grants paid for cars that they needed. So their need for capital dollars is not as extreme. It allowed us to get more done in other systems in northwest Indiana, including a new pair of transit systems.

We would urge that you give flexibility in those dollars because what's true in northwest Indiana is not true in Chicago. When you fix the split between the operating and capital dollars, you sometimes penalize areas who would be able to provide better service and more viable service to their areas for no more dollars. That is certainly true of us in northwest Indiana.

Let me go on and answer the question a little more. We have been working vigorously to get local support not only from the three counties involved in our systems in northwest Indiana but also from the State of Indiana. I have a valuable little slogan that I say, that "I hate to give money to Illinois." In fact, that is one of the things we've been doing because we have no provision for local operating assistance within the State of Indiana. It's something that were doing something about. It's one of the things that is in our agenda in Bootstrap.

Mr. HANAS. Mr. Chairman, I think we have long recognized the decreasing Federal budget in transportation. As I said before, in Indiana it's been a 42 percent real reduction in ten years in purchasing power. What we think is fair, though, is a stabilization to maybe a 50/50 basis on capital funds, so that at least we have some long-term basis and some predictability, when we have local funding, that some Federal funding will be there. We could start to move these relatively capital intensive projects such as rail, as you have seen in Los Angeles, forward, because they are expensive.

The CHAIRMAN. We're looking for ideas. I know in part of my area we got to the point where we needed some money to build a highway but we didn't see where it was solely our responsibility. So we made a deal with the developer that he would put toll roads on two of them and collect tolls to help us raise the money to build it, and then, hopefully, he will develop his area enough to come out all right. This was adding a fourth person, the individual builder himself, to come up. He was going to finance much of it himself to start, but then help the difference by putting tolls on the two roads. We're going to see how it works out. So we're trying different things in different areas.

Of course, you are aware that in our case in California we do need highways out there. We seem to need them all the time. So this last time we put an additional nine cents on the ballot that the people of California are collecting themselves, just to build up a separate fund in addition to what we do. So when it comes to matching money, at least they will have a source for getting the matching money. These little different things are being tried all over. It's kind of good to at least hear what people are thinking.

Mr. MACKENZIE. Well, we're covered in northwest Indiana by our geographic location, particularly in this area, because of not only the steel industry but also the tremendous flow of transportation that goes through our area to Illinois, Michigan and Ohio. Our Borman Expressway reflects that.

The CHAIRMAN. Anything further?

Mr. VISCLOSKY. No, Mr. Chairman.

The CHAIRMAN. Thank you very, very much for your presentation.

Our next panel will address the economic development issues. The witnesses are Mr. Dewey Pearman, Vice President of Governmental and Legislative Affairs, Northwest Indiana Forum, and Mr. Jerry Lee, Secretary Treasurer of the Laborers' International Union, Indiana District.

I understand Mr. Lee is not here. Mr. Pearman, you might as well begin then.

TESTIMONY OF DEWEY F. PEARMAN, VICE PRESIDENT, GOVERNMENTAL AND LEGISLATIVE AFFAIRS, NORTHWEST INDIANA FORUM, INC.

Mr. PEARMAN. I'll be a panel of one, then.

Thank you, Mr. Chairman. My name is Dewey Pearman of the Northwest Indiana Forum. I am vice president of Governmental and Legislative Affairs. Our president, Charles Oberlie, had been scheduled to testify here today. Chuck is unable to be with us and he has asked me to send his regrets for not being here.

So that you understand the perspective from which we comment on this issue, allow me to spend just a brief moment describing our organization to you.

The Northwest Indiana Forum is a regional economic development organization working in Lake, Porter and LaPorte Counties, IN. We are a coalition of the private and public leadership of northwest Indiana. Our mission is to turn the assets of northwest Indiana into a competitive advantage that will encourage stable, balanced, and steady economic growth. Working together with local businesses, the Forum strives to make this competitive advantage known to those with potential to expand and relocate into northwest Indiana.

Mr. Chairman, pursuit of this mission requires us to understand the very important relationship between sound public policy, particularly with respect to the adequate financing of public infrastructure, and the ability of communities to stimulate private capital investment. The Northwest Indiana Forum is on the front line of the economic development process in the region.

Our staff of economic development professionals work on a daily basis with local companies considering making major capital investments in plant and equipment in northwest Indiana. As we work with those companies, we very often hear their expression of concerns for the ability of the local transportation infrastructure to support the needs of business.

We believe there to be a very strong and direct relationship between the quality of roads and highways, the quantity and quality of mass transportation systems, and the ability of communities to retain and stimulate private capital investment in plant and equipment. We believe this is a relationship the business and governmental leadership of northwest Indiana fully understands.

Several months ago we undertook a survey of our membership to help us determine our public affairs priorities. The results of that survey clearly demonstrate that our membership is acutely concerned with the issues being considered by your committee today. Based on the results of this study, we have identified the adequate financing of transportation infrastructure, including roads and highways and mass transit, to be our very top public affairs priorities.

As such, we have initiated along with the Northwestern Indiana Regional Planning Commission in an effort to identify a major new funding source for these types of projects. That effort, Operation Bootstrap, mentioned by many previous speakers today, is being directed by a public/private, nonpartisan task force which is in the process of developing a proposal for addressing local infrastructure needs. We believe this task force will, in the next several weeks, finalize a series of recommendations which will include the imposition of a tax on a three-county basis to address public infrastructure and allow local units of government, cities, towns and counties to finance road and highway projects and mass transit operations.

Our support for a tax increase is demonstrative of our concern for additional financing in these areas and a recognition of limited State and Federal resources. We believe such initiatives are becoming critically important to the economic future of our community. However, our intent in encouraging greater local effort is not to replace existing State and Federal funding but rather to make northwest Indiana more competitive in attracting funds from other sources.

We locally are willing to do our part to enhance northwest Indiana's ability to attract private capital investment, but we fully expect the State and Federal governments to be partners in this effort.

We fully appreciate the pressure being placed on the Federal Government's budget and the need for significant budget reductions. But our experience in working with companies making capital investment decisions tell us that private investment often hinges on public investment, particularly in roads and highways and public transportation systems. We believe the kind of public infrastructure investment that stimulates private capital investment exists in northwest Indiana.

You have heard many references here today to the Gary Airport project, the Borman Expressway congestion relief study, the commuter rail opportunities both with regard to the existing operations and the proposed operation of the West Lake corridor and the proposed Amtrak continuation. We believe these are investments that the business community will respond favorably to. They are the kind of investments which will stimulate long-term capital investment in northwest Indiana and job creation.

With that, let me thank you for allowing us to present our comments on this proposal.

[The prepared statement of Dewey F. Pearman appears on p. 2007.]

The CHAIRMAN. Thank you, Mr. Pearman.

I have one question here. In order to attract new industry, it often requires beefing up existing infrastructure or offering some other type of incentive.

Are potential new businesses coming to look at the area with some kind of infrastructure "shopping list", and have you been able to respond to their requests?

Mr. PEARMAN. The kind of infrastructure needs that have been expressed to us by companies that are looking in this area—and we think there are a significant number of companies doing that—relate most directly to transportation and sanitary operations. Transportation is probably the foremost concern both with respect to the existing infrastructure and the ability of local units of government, along with the State and Federal Government, to put new transportation facilities into place.

We very often hear from companies looking at some of the older urban areas, that the local streets and highways need attention, and that the sanitary district operations of those communities need renewed plant and equipment.

The **Chairman**. Mr. Visclosky?

Mr. **Visclosky**. Mr. Chairman, no questions really, except to thank Mr. Pearman for pointing out two things. One, the relationship between infrastructure and investment which, in and of itself, is sort of nebulous and useless unless we apply it then to the movement of people and goods. I think the fact that you have again brought out the relationship in terms of increased productivity and capital investment is important.

I think the other thing, not to beat a dead horse, is the fact that again, in northwest Indiana, we're willing to help ourselves, to impose additional burdens upon ourselves, to we're looking to ensure that the Federal Government doesn't abdicate its responsibilities during the reauthorization process. Again, I think it's beneficial that the Chairman understand we're not asking for the status quo. We are simply looking to make sure we don't regress and that some improvement here is made because we're willing to do it for ourselves. I appreciate that.

Mr. **Pearman**. Thank you, Mr. Chairman.

The **Chairman**. Thank you very much, Mr. Pearman.

Our next witness is Mr. Rick Cockrum, Executive Director of the Association of Indiana Counties. Mr. Cockrum, the floor is yours.

TESTIMONY OF RICHARD J. COCKRUM, EXECUTIVE DIRECTOR, ASSOCIATION OF INDIANA COUNTIES

Mr. **Cockrum**. Thank you, Mr. Chairman. I certainly want to concur with your opening statements on the woes of our infrastructure in our country, and speaking on behalf of county government in Indiana on the problems we have had in Indiana, I want to thank you for the ability to speak to you today.

County government in Indiana is responsible for 66,000 miles of road, or 72.5 percent of the total miles in the State. These road miles serve as a critical link between most Hoosiers and their ability to maintain a healthy economic existence. The 66,000 miles of county roads carry 27 percent of the State's traffic.

In addition, Indiana counties are responsible for over 12,000 bridges, of which over 6,000 need to be rehabilitated or replaced. According to a study by the Road Information Program in 1989, traffic on Indiana's county roads has increased by 35 percent in the past three years, and is expected to double by the year 2000. The same study shows that over 28,000 of the 46,000 miles of paved county roads are substandard and in need of major repair, including resurfacing and reconstruction.

Our Nation's transportation system surely qualifies as one of the most critical areas for intergovernmental cooperation. It is counterproductive to view our surface transportation network as separate Federal, State and local components. To better serve the needs of the people paying for the system, we must recognize it as one complex integrated system.

The roles of the three levels of government have been mixed and, with the near completion of the Interstate Highway System, we have the opportunity to address some problems of the past.

The Federal role in highway funding is critical, but consider the following: 79 percent of all rural and 74 percent of all urban roads in the United States are not eligible for Federal aid. Federal highway funds coming to Indiana have decreased by 17 percent from 1985 to 1990.

From 1956 to 1988, Indiana received 75 cents in Federal highway aid for every dollar we sent to Washington. With the enactment of the 85 percent minimum allocation formula, we have fared much better, but it is hardly a bargain to send someone a dollar and get back 85 cents.

Local units of government and the State have taken aggressive roles in addressing this crisis. The State, over the past decade, has raised motor fuel taxes several times, and local governments have imposed numerous local option taxes. In fact, 75 of our 92 counties now impose a local income tax. Almost half of them have been adopted the new tax within the past five years, with highway funding being one of the driving forces behind the adoption. Still, with the increase in cost of materials and labor, and the decrease in Federal assistance in all program areas, we have not been able to properly maintain our existing system, let alone build new roads.

One of the most frustrating experience of a county commissioner in Indiana is to use Federal funds for a transportation project. The strings and red tape attached to a Federal dollar are enough to have many counties forego a Federal aid project. It is highly unfortunate that a typical Federal aid bridge project will take four years to complete. Sometimes as equally intimidating is the local match requirement. Many counties do not apply for Federal highway assistance because they do not have the local funds to meet their share of the match.

As disturbing as the low return on Federal dollars for roads is, it is nothing compared to mass transit funds. For the period of 1984 to 1989, Indiana received 21 cents for mass transit dollars for every dollar we sent. Hoosiers are known for their independence and self reliance. Perhaps that is why we have one of the highest per capita vehicle usage rates. But it is inevitable, with air quality problems, urban congestion and suburban mobility, that we must rely more on mass transit in our State. To do so, we should be receiving a larger share of Federal mass transit funds.

In conclusion, the Association of Indiana Counties recommends the following seven points:

One, the minimum distribution to donor States be increased. This can be done by either raising the 85 percent minimum allocation or adjusting the current distribution formula.

Two, a maximum amount of flexibility be granted to States and localities for use of Federal highway funds. This can be accomplished through a block grant type program or reducing restrictions in the Federal statute or regulations.

Congressman Visclosky mentioned a point earlier about the increase in flexibility. I think it's safe to say on behalf of our members that that increased flexibility is important, but not if it's tied in with a decrease in Federal funds.

Number three, the Highway Trust Fund should be spent down to a reasonable balance and not be used as a ploy to show a reduced budget deficit.

Four, Congress should avoid increasing motor fuel taxes to reduce the Federal deficit.

Five, there should be no change in the formula to favor States over local governments.

Six, a minimum allocation should be established for mass transit funding. Mass transit funds should also have maximum flexibility.

Seven, Congress should oppose increasing State and local governments' share on projects that require matching funds.

I will certainly answer any questions or expand on any comments.

[The prepared statement of Richard J. Cockrum appears on p. 1967.]

Mr. VISCLOSKY [presiding]. Mr. Cockrum, I appreciate your time and commitment, as well as the preparation of your testimony. I do have a number of questions.

The first is, what are some of the plans that counties in Indiana have proposed or are working on to improve their infrastructure, particularly in terms of finding alternative means of transportation?

Mr. COCKRUM. One of the things that we've been fairly successful with in our own State legislature in the last several years, we have targeted two areas in infrastructure. One is increased funding from the State itself, obviously, and second is increasing flexibility in what money we have, as well as increasing our own flexibility in raising that money.

We have, for example, three income taxes in the State. One is for property tax replacement, one is generally used for operating, but the third one is the county economic development income tax, which some 15 counties have enacted in the last two years, to dedicate the money for an economic development project or for any capital projects. So we have had counties, for example, that have passed an income tax to pay for the county jail or to pay for a bypass. We have also some counties investigating a new statute that we had enacted in allowing a multiple county infrastructure authority, to go together to finance.

We had several counties enact a local option wheel tax. Some have adopted a food and beverage tax for capital projects. I believe Vanderburgh County paid for their airport rehabilitation on a food and beverage tax. So there's a lot of options out there. There are 92 ways of paying for it, and there has been a number of different combinations used.

Clearly, there has been an effort made at the local level to accept some of that responsibility that has been discussed here today.

Mr. VISCLOSKY. I think you have covered some of the questions the Chairman also had, in terms of what are some of the local financing mechanisms that counties are looking at for capital projects, and I think you've addressed that.

One of the other questions I would have is, in terms of the recommendations you made to the committee, in point six you mentioned that there should be a minimum allocation established for mass transit funding. I would ask, in terms of relativeness, where mass transit today stands with the Highway Trust Fund. Would you be looking for essentially the same proportional allocation, or would you hope, from your perspective, that mass transit have a higher ratio?

Mr. **Cockrum**. I would think that it's fair to start out asking for a dollar for dollar return. I don't think politically that's going to be possible. The reason the discrepancy is so broad—I mentioned we were getting 21 cents on the dollar. The same source of the figure for that showed New York getting $2.70 for every dollar sent in. So I don't think it's going to be politically feasible to see a massive shift in that distribution. But as we address the problems of donor States by going to at least an 85 percent minimum allocation for highways, there should be some compromise figure that could be worked out for a minimum allocation return to States for mass transit. I don't have a suggestion on what that figure should be. Obviously, the fairest would be a dollar for dollar, but that's probably not possible.

Mr. **Visclosky**. Do you think the needs are comparable in terms of the rural areas versus the urban areas, in terms of the return on the dollar paid?

Mr. **Cockrum**. For mass transit?

Mr. **Visclosky**. Also, I guess, the other side of that is the ability to provide a transportation alternative on a cost basis, the cost potentially being higher in some of these urban areas.

Mr. **Cockrum**. Well, I don't profess to be a transportation engineer, but I would suggest that—obviously, the costs are going to be higher on a per person usage. The demand for services is just not there.

The question of a rural county, the demand for services, although we have mass transit in the sense that we're using rural busing services, particularly for the elderly and low income in some of the rural areas, but not in the traditional sense that we think of mass transit.

Mr. **Visclosky**. Mr. Cockrum, thank you very much.

The **Chairman** [presiding]. Thank you, Mr. Cockrum.

You did ask my questions?

Mr. **Visclosky**. Yes.

The **Chairman**. Very good.

Our last panel today is Mr. Rudy Kapitan from Merrillville, IN, and Mr. Terry Kleban from Crown Point, IN. You're first on the list here, Mr. Kapitan, so let's do it that way.

TESTIMONY OF RUDOLPH F. KAPITAN, PRESIDENT, CITIZENS AGAINST RAILROAD SLAUGHTER, INC.; TERRY J. KLEBAN, CROWN POINT, IN

Mr. **Kapitan**. Thank you, Mr. Chairman. As you indicated, by name is Rudy Kapitan. I live in Merrillville, IN. I am one of the founders of CARRS, Citizens Against Railroad Slaughter.

We are all aware of the fact that from the moment we are born, society takes great care and exerts much effort to protect, promote and to preserve life. This is manifest by the workings within our medical community, within industry and the sciences. Man's primary instinct is to preserve himself.

There is, however, a force, a system in our land which counters those basic aspirations geared to promote and protect life. That system is the railroad industry in the United States. For too long, they have been allowed to continue in their callous disregard of our rights as they take from us our lives, our limbs, our properties, and our peace of mind. Each year, thousands of families are ravished by nightmares caused by a federally-protected, irresponsible railroad system.

Gentlemen of the committee, if you're looking for these comments, what I have done—my written testimony would take approximately 20 minutes. As a result, I was informed that five minutes would be allocated and I capsulized all that information into approximately a five-minute presentation. That's the reason why, if you're looking through this, it's an abbreviation of the 20 minutes you have there.

In my hand I have a copy of a death certificate. That death certificate is of my 30 year old son, Rudy J. Kapitan, who was killed at the Grant Trunk's Hendricks Street crossing in Merrillville while returning from church early Sunday morning, November 6, 1988. No gates or lights warned him of the hazardous crossing which he was approaching.

It was at this crossing that Julie Rothenberg was killed in 1987, and where in 1986 Frank Razmus was killed. Three fatalities in less than 30 months, to say nothing of many other accidents at that infamous crossing.

State statute mandates that the railroads are responsible to afford security for life and property of persons and vehicles using the public highways. The hazardous crossing which the Grant Trunk allowed to exist at the Hendricks Street crossing couldn't be a more flagrant violation of that statute. It typifies the railroads callous disregard for what most of us hold sacred, life itself.

Overwhelmed by grief, I began a search which led me to uncover shocking rail-highway crossing statistics. Of all the States in the Union, Indiana, although ranking 15th in population and 34th in land area, ranks first in total fatalities caused by passenger trains, second in total casualties, and third in total fatalities at rail-highway crossings. One of every 12 fatalities in all of the United States happens in Indiana. It is in Indiana that we also find the most uncontrolled crossings in all of the United States. Of the 7,744 rail-highway crossings in Indiana, only 967 are protected by gates and lights. Eighty-eight percent are not.

Given these appalling statistics, can we say that Hoosiers' rights are adequately protected at rail-highway crossings? They are not. Funding must be made available to correct these scandalous defects.

To place the blame for these statistics on the Indiana motorist, as the FRA and the railroads do, is an affront to our intelligence. I submit that when you or I fail to be 100 percent attentive to the demands placed on us as highway users, we are only human. Should we be condemned to death because of the momentary misdirection of attention? Should not the extreme hazard of a megaton train, speeding along at and up to a permitted 110 miles per hour, be unmistakenly marked as extremely hazardous?

For me to do nothing, given these depressing statistics, would be to condone the tragedies caused by a federally-protected railroad system. So not long after my son Rudy's death, we formed an organization and we called it CARRS, Citizens Against Railroad Slaughter. Six objectives were espoused and they are contained in my written testimony.

Federal legislation which is geared to protect the hazards created by railroads must change. For example, the U.S. Code prohibits the release of information compiled by railroads for identifying, evaluating or planning safety enhancements of potential accident sites or hazardous rail-highway crossings. So the Grand Trunk continued to maintain a hazardous crossing at Hendricks Street where my son Rudy was killed, despite the fact that the FRA and the railroads knew very well of that hazard.

I have a copy of such a contraband report, which is protected from disclosure by the U.S. Code. It is a Hazard Index for the Dogwood crossing near Fort Wayne. Bob Savage was killed at that crossing. His widow paid a private investigator several hundred dollars to get this particular report. To this day, because of Federal disclosure protection, no improvements have been made to the crossing, rating the most hazardous crossing in Marshall County. This type of Federal protectionism must stop.

Railway Age, in its November, 1989 issue, publishes past and proposed grade crossing outlays. The 1985 to 1987 average expenditures at crossings, apart from maintenance, totaled $520 million, of which 57 percent was supplied by Federal funds, 33 percent by State funds, and only 10 percent by the railroads. Estimated annual needs for public rail-highway crossings through the year 2005 total $853 million, of which only $8 million is projected as the railroads share. That must change.

Most of the rail-highway crossing safety related work is funded by section 130. It is the fate of this program, whose current authorization expires in 1991, that has railroad people worried. They are concerned not only about its renewal, but in what form it might be renewed. There is fear, for example, that the current 90 percent Federal and 10 percent local match formula might be revised. That's exactly what we need, changes in that match formula. The architects of a new national transportation policy must include voices such as mine so that long overdue railroad improprieties will be corrected.

There is much public outcry regarding the savings and loan scandal and the bailout at taxpayers' expense. We have had a railroad bailout scandal for years and year. That scandal has not been addressed. It's time to do so.

Mr. Chairman, we in Indiana encourage travelers to "Wander Indiana". As a matter of fact, we had that slogan on all of our license plates last year in Indiana. However, I am reminded to say that as we encourage those travelers to travel and wander Indiana, we should warn them that their chances of getting killed or injured at Indiana rail-highway crossings are better in our State than in any other State in the Union.

Rail-highway crossings are an integral part of surface transportation. Problems which exist must be recognized and funding must be allocated to correct the serious defects at these crossings, not only in northwest Indiana but throughout our State.

CARRS invites your individual and collective assistance to encourage funding need to promote safety, which is lacking, at our rail-highway crossings.

My special thanks to Congressman Visclosky and his legislative director, Robert Falb, for incorporating rail-highway safety as a topic for discussion at this hearing, and thank you for asking me to be a participant.

[The prepared statement of Rudolph Kapitan appears on p. 1976.]

The **CHAIRMAN**. Mr. Kapitan, the Committee has heard that as the rail-highway grade crossing program matures and we have now addressed the most dangerous crossings, the program is no longer cost effective. Your testimony, to the contrary, is most compelling and sobering. We thank you for it very much.

Do you have any comments?

Mr. **VISCLOSKY**. Mr. Chairman, I do. I appreciate the fact that you have allowed Mr. Kapitan the opportunity to testify.

He approached me at a public forum we held in Merrillville approximately a month and a half ago, if I recall correctly, to indicate his concern. Now, I indicated to him that I had clipped a number of articles regarding not just his activities but the tragic circumstances involving the death of his son. As I indicated then, while I have had a personal experience similar to his, without the consequences attached to it, I had to take his observations to heart. It was in 1977 that my mother was the driver of a car that was struck by a train. She survived the incident, but I appreciate, to a very limited degree, the grief that Mr. Kapitan has experienced. The fact that again you have taken a very negative event and tried to act positively on it bodes well in terms of your dedication.

As the Chairman indicated, from a statistical standpoint, a national average standpoint, an economic standpoint, some might suggest that the program is no longer cost effective. Obviously you have pointed out to us in a very telling manner that that's not necessarily true. I appreciate you taking a day of your time as well to wait very patiently to provide the testimony to us.

Mr. **KAPITAN**. Thank you very much.

The **CHAIRMAN**. Mr. Kleban.

Mr. **KLEBAN**. Mr. Chairman, Mr. Visclosky, I am testifying before this committee in hopes that something can be done to alleviate the congestion on the Borman and the surrounding expressways and toll roads throughout northwest Indiana.

I am a professional driver. I have logged over 1.25 million accident-free miles for Union Carbide. I'm a frequent traveler, traveling the connecting interstate systems throughout the metropolitan area. I am constantly amazed about the number of commuters and commercial traffic that we have on the Borman and I–65 and all the other connecting highways.

Driving to or from Chicago, drivers have three alternatives. They can either travel the Skyway, which is I–90 and connects with the Indiana Toll Road, or they can take the Kingery and the Calumet and the Borman from the State line, or they can take the Tri-State, which is I–294, and make a circuitous route around Chicago to their destination.

If the Indiana Toll Road and the Skyway is utilized, drivers constantly encounter rough pavement and a perpetually closed lane in either direction. This is also combined with an excessively high toll. Commercial vehicles going to and from the heavy industrial centers in northwest Indiana served by the Toll Road and Skyway feel the brunt of this regressive and cost-prohibitive toll in utilizing the only viable means of access to the Chicago markets. If people to go through the city on the Borman and Kingery and Calumet Expressways, then delays are encountered because of oversaturation during peak commuter times and ongoing construction and maintenance. If the Tri-State is utilized, then one can expect toll collection barriers every 12 to 15 miles, also causing massive delays. As you can readily see, Mr. Chairman, this is not the most energy efficient way to conduct business.

It has been said that the 15 miles between the State line to the Indiana Toll Road, going from west to east, is one of the most heavily and densely populated with commuter traffic and commercial traffic throughout the United States with three lanes in each direction dumping into I-65, I-90 and I-94, plus all the other spur highways. Any time there is an accident or a lane restriction of any type, the system breaks down because of the highways feeding from one another.

Many times I have been forced to sit in stopped or slowed traffic upwards of 45 minutes to an hour. Since most drivers are paid a percentage or mileage, they are not compensated for the additional time added to their runs. The automobile commuters also are late for work or late in getting home to their families. This means lost productivity and delays.

My recommendations to this committee panel would include but not be limited to several of the following:

First, consideration of lowering the Skyway toll charge. Possibly this would ease some of the traffic off of Borman, possibly by 10 to 15 percent. Now, it doesn't sound like a tremendous percentage amount, but believe me, a reduction of any percentage would be well worth our time and effort to seriously consider it.

Second, an additional two lanes in both directions from the State line to the Indiana Toll Road, approximately 15 miles, would also alleviate part of the massive congestion.

If it was within my power and I had a magic wand, I would wave it and extend the Cline Avenue Expressway south from I-94, the Borman, and I would link up with a new bypass around Merrillville, extending it to Valparaiso. What we have is gridlock on U.S. 30 by the malls coming off of I-65. I would make this a limited access bypass.

You know, we have a problem, in that every time we construct a bypass, such as 49 extending from 94 to the Toll Road around Chesterton, we have a lot of businesses popping up along the bypass, creating massive gridlock again. We're defeating the purpose of the bypass.

The last recommendation I would have would be for the committee to seriously consider enticing commuters to park their vehicles, their privately owned vehicles, at convenient parking lots along the expressways. These people then would take commuter buses into the mills or into Chicago for their shopping sprees.

However, we have got to remember one thing. People, for the most part, that live in suburbia really are hesitant to take public transportation unless it's safe, well lit, on time, and economically feasible for them to do it. Combined with some of these other recommendations, I think maybe the traffic flow patterns that we encounter in northwest Indiana could be alleviated and resolved.

Thank you for your time, gentlemen.

[The prepared statement of Terry J. Kleban appears on p. 1982.]

The CHAIRMAN. Mr. Kleban, which route would you say cuts more deeply into your truck profits; paying the toll on the Chicago Skyway with less traffic, or the time lost and the wear and tear on your truck due to traffic congestion on the Borman?

Mr. KLEBAN. Personally, I would say that the Borman would cut into the company's profits more than the regressive toll on the Skyway. I personally do not pay the toll. The company picks up the toll, of course, for the drivers.

The CHAIRMAN. My district in Southern California actually centers on the ports of Los Angeles/Long Beach, in that area. I consider southern Los Angeles and the Orange County area kind of part of my district. A short time ago I was making speeches around, saying that in my little area there we would be growing by 3.5 million, so we had a problem as to how we could handle that. The officials in the southern part of the State, the Southern California area governments and the RTD and different ones, sent a little group back to advise me that it wasn't three-and-a-half but it was 5.5 million. So I changed my speech to 5.5 million, and it became roughly 7.5 million.

The congestion that came is something that we really don't know what to do about. I did do an extension freeway from Los Angeles, where we had to get our materials taken to the ports. Within six months it became the most highly traveled section of the Interstate System in the Nation.

A few weeks ago, seven big companies came from the area, four from the Port of Long Beach and three from the Port of LA, and they pointed out that even before we built the highway, just driving down city streets, they could make it down there in 45 minutes to an hour, normally, but now, with the new congestion, it was two-and-a-half to three-and-a-half hours. You know, I guess that's when you get millions of cars out there and the trucks can't get through.

I think they pay their truck drivers 25 bucks an hour. When you pay a guy 25 bucks an hour and it takes him two-and-a-half to three-and-a-half hours to do what he used to do in 45 minutes to an hour, they have to then add that cost on to the product they're selling. They said that I had to do something because they just can't compete with this congestion.

Well, that's the problem I have. I understand it's all over the country to different degrees. We have this congestion and it's something that is terribly expensive. I thought when I put the freeway in that it was going to be an answer. It so happens it has just attracted more cars and more people. So since then we've actually built a double-decked transit line. We had the opening here two weeks ago, called the Blue Line in Los Angeles. We're going to try to get people out of their cars into the transit so that we can have some room on this freeway for the trucks that have to go from the ports to the downtown industrial section.

I just want you to know we all have these problems all over the country. They are put together in little different ways is all. I can see where you could have a tremendously profitable operation, but I see where you could also have some of the same things we're having. Congestion could be a real problem there.

What I have seen here, as we flew in, you have so much development potential here, an awful lot of people could move in here in the next few years.

Mr. KLEBAN. Well, Mr. Chairman, the additional people moving in are not the problem. It's the transient population.

The CHAIRMAN. Well, I mean they all get in their cars and they will be going——

Mr. KLEBAN. From point A to point B. You have to realize that going to or from Detroit, Chicago, Indianapolis, going through northwest Indiana, we feed these metropolitan areas. We are actually bottlenecking the traffic. We're coming down into three lanes in each direction, coming to and from Chicago. The 15 miles, as I said earlier in my testimony, is probably, from the State line to the Indiana Toll Road, at Lake Station, East Gary, is probably the most densily traveled section of highway in the United States. So maybe we might want to seriously consider the additional lane addage on both sides, to and from.

The CHAIRMAN. We tried to solve it with a transit line. We're hoping that will do something about it. Now we have to get the people out of their cars on to the transit, which is tough. We're even doing publicity, as something they not only should do but something they will enjoy doing. We have some of our biggest name people, television shows, showing them on it, so they know it's something people ought to do.

Mr. KLEBAN. I hope it will work for you.

The CHAIRMAN. We don't know. We've got our fingers crossed. Mr. Visclosky.

Mr. VISCLOSKY. Just a couple of things.

Mr. Kleban, I thank you. I was going to ask whether the two lanes were on the Borman. I assume that was your point.

I would point out that since I've been a Member, one of the requests I have made of the State and Federal Highway Administrations was that as they design the reconstruction of the five major interchanges that have been examined over a period of years, that they do so to allow the possible future construction of an additional lane on each side. I don't again propose that that solves all of our transit problems, and I certainly don't represent the money is there today to do it. But again, I think if we would reconstruct those interchanges simply to accommodate a six-lane Borman Expressway, we really eliminate any future possibilities of action. I am pleased that they have taken that message to heart and will be doing that.

The second point I would make—and I would refer you to the Office of County Commissioners in Porter County—I had a conversation with one of the county commissioners this past Saturday and it's my recollection of the conversation the county, or some of the local subdivisions, have acted in Porter County to avoid the very concern you just expressed; that is, it is all fine and well to do a bypass around Valparaiso, potentially around Merrillville, and then essentially you end up right back in the same situation you find yourself in. It would appear, at this point at least, that the county government in Porter County has anticipated that. Whether they will follow through and whether I'm exactly correct in my recollection, I don't know.

I guess the last point I would raise is that I'm pleased that, as a professional driver and someone who is out there every day, you, to a large degree, have come to many of the same conclusions that public officials have and those who plan have. It would lead me to believe, as the last witness of our panels, that maybe we're on to something in terms of some of the ideas that have been expressed. You're out there every day, and I again appreciate your time and commitment to having been with us today.

The CHAIRMAN. Thank you.

I want to thank all who appeared here today for providing us with some excellent and pertinent testimony. It will be most helpful to us as we consider infrastructure policy programs and legislation.

Pete, I want to thank you for having the Committee here today. I believe the hearing has been most informative. Again, thank you. With that, the committee stands adjourned.

[Whereupon, at 2:20 p.m., the committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

TESTIMONY OF

THOMAS V. BARNES, MAYOR
CITY OF GARY, INDIANA
401 BROADWAY
GARY, INDIANA

Testimony Given Before the Committee on
Public Works and Transportation
September 17, 1990

Good morning. Thank you for the opportunity to address you concerning the surface transportation infrastructure needs in our area. Hopefully, my remarks will assist you during your deliberations on the reauthorization of the Surface Transportation Act.

First, I want to quickly state four overriding priorities the City of Gary shares with local governments across the nation. I hope that there will be movement to:

1. Restore the funding lost through the 1980's for highways and transit;

2. Remove federal barriers to state, local, and private sector participation in federally-funded projects;

3. Distribute funds on the basis of transportation needs, such as more funding for areas of high traffic congestion (urban areas) and not just high mileage (rural areas);

4. Create an urban/suburban program composed of the Federal-Aid Urban System, the urban/suburban portion of the federal aid primary system, and other smaller components.

But our needs in the entire area of surface transporation are many and broadly based. Unlike some issues, transportation touches the lives of every citizen in Northwest Indiana on a daily basis. How to travel from point A to point B is a concern that every citizen faces whether dealing with highways, streets and roads or public transit systems. And, increasingly, local government is being asked to pay a greater share in the cost of providing the means to travel, a share it cannot afford.

In the City of Gary, we are currently undertaking a significant road project - the widening of Grant Street - a major thoroughfare in the city. The project has been at least ten years in the making. While there have been many reasons for delay, one of the most important has been our inability to raise the local share of funding needed to match the federal dollars that have made the project possible. The amount of local funding needed for this project becomes insignificant when compared to proposals that have been circulating on a federal level which would change the federal share/local share ratio to increase the local share. If it has been difficult for the city to meet the requirements in 90/10 grant situations, a change to 75/25, for example, would prove to be almost an impossibility. If a 50/50 plan were implemented, our situation would become hopeless.

This financial difficulty is not limited to road projects. Public transit infrastructure is affected as well. The situation with the city's public transportation system, which provides bus service throughout the city, is just as dire. For the past four years, the operating budget allocated to Gary Public Transportation Corporation has decreased on a yearly basis by $250,000.00 to $300,000.00. For some time, we have been able to make ends meet by trading some of our capital dollars for Chicago's operating dollars, at a disportionate exchange I might add. We are now between the proverbial rock

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and a hard place because our rolling stock is aging and we need our capital dollars making the chances for future bartering with Chicago slimmer.

We are not insensitive to the fact that the federal government cannot pay the entire transportation infrastructure bill. We have taken steps to assist ourselves. Gary is the only city in Northwest Indiana that has a property tax levied especially for financial support of its bus system. Further, in recent months, the communities of Northwest Indiana have banded together to try to develop new avenues to generate funds for infrastructure needs, including highways and public transit, through the Operation Bootstrap initiative. This initiative is still in the planning stages and would add a sales tax to certain items purchased in our community, to be utilized for infrastructure purposes. Clearly, then, we are not attempting to rely upon the federal government to meet all of our needs.

The dollars generated from local initiative, as well as those provided under the act, are of critical importance to Northwest Indiana's economic growth. These dollars provide the much needed means for localities to provide congestion free access to businesses. Good transportation infrastructure is also a proven element in attracting new businesses and spurring residential development, both of which are sorely needed to combat the lingering vestiges of the area's economic decline.

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The reauthorization of the Surface Transportation Act, with no new and higher local funding ratios is critical to local governments' efforts to meet its transportation infrastructure requirements. New distribution formulas which call for flexibility in project fundability and allow highway projects and public transit to be funded from the same pool of monies are inappropriate in this scenario. This would only diminish already overtaxed resources and make local governments' plight even worse.

The Surface Transportation Act has been a source of financial assistance to local governments for some years now. It is my hope that it will be reauthorized and if changed at all, changed to increase assistance to cities.

Thank you for allowing me to address you.

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GOVERNOR EVAN BAYH

Room 206 State House
Indianapolis, Indiana 46204

STATE OF INDIANA

Mr. Chairman, I am pleased to accept Congressman Visclosky's invitation to present testimony today on Indiana's transportation needs and concerns, particularly those of Northwest Indiana. Thank you for the opportunity, and welcome to Indiana.

Indiana is known as the "Crossroads of America" and for good reason, as several of the nation's transportation arteries criss-cross our state, especially here in the transportation hub of Northwest Indiana. The transportation system in Indiana, as well as the nation, itself is standing at an important crossroads as we are confronted with decisions on the future of our nation's transportation system. Our nation has a record of significant transportation accomplishments, but we now face new challenges. The course we take in the next year will largely determine how far, how fast, and how efficiently we will travel in the future. More importantly, it will likely determine how successful our nation economically competes in the ever-increasingly competitive world economy.

The importance of transportation is becoming more apparent, to even the casual observer, as a way to get and keep Northwest Indiana "on the move". From the Borman, to the Gary Regional Airport, to commuter rail service, to the port, Northwest Indiana is replete with opportunities to improve our nation's transportation system and with it, our ability to compete in the world marketplace. I would like to briefly describe a few of those for you now.

THE BORMAN EXPRESSWAY

The Borman Expressway -- Interstate 94/80 in Lake County Indiana -- connects, not only metropolitan Chicago with Northwest Indiana, but the eastern and western portions of the country. Named after astronaut Frank Borman from Gary, Indiana, the Expressway is the busiest road in Indiana, carrying 135,000 vehicles per day, nearly a third of which are trucks -- one of the highest known percentages of truck traffic in the nation. As you might expect, the Expressway is the most congested in Indiana, unfortunately often substantially slowing the heavy interstate traffic through our state. We have recognized the problems experienced by motorists in this area and have undertaken efforts to increase the capacity of this road, through both more pavement and better technology.

The state has four interchange modifications in development worth more than $100 million on the Borman Expressway which, as a result of being expedited by this administration, will all be completed by 1993. We have also begun the less traditional freeway management program which will increase capacity and reduce congestion by employing a sophisticated communication system using television monitoring equipment, computers, and radio and telephone information systems. The system will facilitate faster identification and response to accidents, thereby relieving the most prevalent cause of congestion on the Borman Expressway. We expect to have the early components of this multi-million dollar system in place in 1991. The State of

Indiana is committed to playing a major leadership role in both the development and implementation of new technologies to relieve traffic congestion.

Beyond these state initiatives, Indiana is also working with the federal government and its neighbor Illinois to seek national and regional solutions to the transportation challenges of Northwest Indiana, which are truly national and regional in scope. The Indiana and Illinois Departments of Transportation, with special funding made available by Congress, have undertaken a study to develop alternative solutions to relieve congestion on the Borman Expressway. As part of the study we will examine the feasibility of constructing a southern expressway in Lake County to improve the movement of transcontinental traffic. The study will also look at eliminating the tolls on the Chicago Skyway and a portion of the Indiana Toll Road to encourage motorists -- particularly truckers -- to use the currently underutilized Toll Road thereby relieving the congested Borman at relatively little cost. The Indiana Department of Transportation has taken the lead role in this study to find the best congestion relief solutions for Northwest Indiana and Northeast Illinois.

GARY REGIONAL AIRPORT

The State of Indiana is committed to both the independent development of the Gary Regional Airport and its designation as the third Chicago Area Airport. In terms of developing the airport, the state supported a $500,000 appropriation from the Build Indiana Fund to match federal Airport Improvement Fund monies. The funds will be used to make runway and taxi-way improvements which will enhance their structural strength and pavement conditions. These funds will also be used for land acquisition and obstruction removal.

As demonstrated by the current dispute and court battle over scheduling flights into Chicago, the take-offs and landings at the present Chicago airports are at the saturation point and may even be becoming dangerous. At certain peak hours, as pointed out in a recent national newspaper article, as many as 40 planes are scheduled to arrive at O'Hare in one five minute period. Meanwhile, located closer to the Chicago loop than O'Hare, sits the underutilized Gary Regional Airport. With its modern terminal and easy access to the Chicago Skyway and the South Shore Railroad, Gary Regional can provide direct, fast access to downtown Chicago and thereby serve right now as an excellent reliever airport for the region. As the nation's leading transportation policy-makers, I ask that your attention to this matter might include further discussion and future action to take advantage of our outstanding, yet underutilized, airport facility here in Northwest Indiana.

Beyond the immediate development of Gary Regional as an independent airport, Indiana strongly believes that the development of a third major Chicago Area Airport is essential to the vitality of Chicagoland, and the entire Midwest, as an economic hub for the nation and the world. We equally strongly believe that the best site for the airport is an expanded Gary

Regional Airport, which is in metropolitan Chicagoland. Because of the billions of federal dollars that will be included in the development of a third Chicago Area Airport, I believe that Congress -- likely this very Committee -- will ultimately have significant input into the location decision. I ask you to do all that you can to insure that this major decision is made based on the technical merits, not parochial politics, not only because it is the right thing to do, but because I believe doing so will result in the airport being located in Northwest Indiana.

AMTRAK AND OPERATION BOOTSTRAP

As I have already suggested, the best transportation infrastructure can only be developed through the combined forces of all public jurisdictions. Indiana has demonstrated continued support of local efforts to preserve needed public transportation. A case in point is unfolding right here in Northwest Indiana.

The state awarded the Northern Indiana Commuter Transportation District ("NICTD") $80,000 to study the feasibility of maintaining or realigning Amtrak's commuter rail passenger service from Valparaiso to Chicago, known as "the Calumet". This will give local officials the information to make decisions on whether tc appropriate funding for the continued operation of the rail line. If the results indicate such funding would be economically effective and justified, those funds may be made available through "Operation Bootstrap", another innovative project being proposed right here in Northwest Indiana.

Despite these efforts, Amtrak has unfortunately indicated that it will discontinue the Calumet at the end of this calendar year without giving local decision-makers an opportunity to consider the results of the study and seek state legislation to fund Operation Bootstrap. I have already been working with Congressman Visclosky, Congressman Jontz, Congresswoman Long, Congressman Lehman and others to convince Amtrak to reconsider its position. Today I strongly and publicly request all the members of this Committee to encourage Amtrak to extend the Calumet's service through June 30, 1991, so that Northwest Indiana may have the opportunity to save this service through the innovative Operation Bootstrap project. Doing so would be in the best tradition of intergovernmental cooperation, innovation, and plain common sense.

SOUTH SHORE

The South Shore is a vital railroad passenger service between Chicago and South Bend operated cleanly and efficiently by electricity. In order to improve the long-term stability of passenger rail services in Indiana, NICTD purchased the passenger assets of the Chicago South Shore and South Bend Railroad, with the help of our state administration, in December, 1989.

NICTD carries more than 6200 passengers a day. During the past several years, rush hour trains have experienced passenger loads 120% of seating capacity. In response to over-crowding, I have committed securing an additional $4.5 million in state assistance that will enable NICTD to purchase 14 new commuter rail cars and to help make major station improvements in Northwest Indiana. The administration is already providing much needed assistance to support NICTD's current capital improvement program. I have authorized the first-ever state transit discretionary grant of $800,000 and supported an $800,000 appropriation from the Build Indiana Fund, which I will discuss in more detail a little later.

With the state's help NICTD has stabilized the South Shore commuter service so that, for the first time in recent memory, it is no longer lurching from one financial crisis to another. Now that the administration of the South Shore's commuter service is in public hands, the potential for a long-needed local revenue source for the service - perhaps through Operation Bootstrap - is greater than it has ever been. While the state and local units of government do their share, the federal government must continue to do its fair share - as UMTA has been doing with the South Shore through locally matched grants - to support viable mass transportation, particularly as our highways are becoming more congested and our energy sources less reliable.

Let me add, Mr. Chairman, that along those lines the state of Indiana has taken aggressive steps to conserve gasoline and other petroleum products in the wake of the events in the Middle East. We have ordered all state agencies to promote car-pooling among state employees, for both the commute to and from work and for all in-state travel. We have also ordered department heads to postpone or eliminate as much out-of-state travel as possible, and to seek ways to significantly reduce the use of petroleum products at their disposal.

No program for improving our system of transportation would be complete without emphasis on the development of mass transit opportunities across our state and nation. Along with the South Shore railroad, the state has aggressively promoted mass transit in cities and towns large and small alike as a way of conserving both our roadways and our supply of energy.

PORT OF INDIANA

Burns International Harbor is the most modern port on the Great Lakes and is at the center of regional development. A recent study indicated that Burns Harbor is the most productive steel-exporting facility in the nation. It is a classic example of transportation planning at its best, bringing together a superb network of water, rail, and highway infrastructure.

The total amount of tonnage handled at Burns has increased approximately 25% during the last two years. Investments of more than $100 million have been made at Burns Harbor as a result of the Beta Steel Corporation decision to locate a new plant. Part of this corporation's decision was based on the strong and expanding industrial profile of Northwest Indiana and the superior design of this transportation hub. Burns Harbor is a prime example of how an efficient transportation system enhances economic development and competitiveness.

OTHER TRANSPORTATION PROJECTS

Of course, Northwest Indiana is not alone in the state when it comes to worthy transportation projects. Our administration is making progress on many important transportation projects around the state including, but certainly not limited to: the "Hoosier Heartland" corridor which seeks to connecting Fort Wayne and Lafayette via a major four-lane highway; the I-469 Fort Wayne bypass; the South Bend bypass; the Jeffersonville bridge; the Jasper/Huntingburg bypass; and the State Road 37 south corridor. This progress cannot continue without the full partnership of the federal government. For no project is this more true than the proposed Evansville to Indianapolis expressway.

As I noted in testimony (copy attached) submitted at the invitation of congressman McCloskey to this Committee's Surface Transportation Subcommittee hearing earlier this year in Washington, the third largest city in Indiana and its environs have been left without interstate access to the capital and its wide-ranging interstate access. The proposed highway between Evansville and Indianapolis demands a strong federal/state partnership. It is a much-needed and well-deserved transportation artery for the citizens of, not only Indiana but, the entire region and nation. Ultimately, we hope that the Evansville-to-Indianapolis highway could serve as a major link to effectively extend I-69 from Northern Michigan through the heartland to Memphis and the interstate access that city enjoys. This would truly be a highway of national significance.

INDIANA IS WORKING TO HELP ITSELF

While we strongly resist any abdication of the federal role in transportation, Indiana is not simply waiting for the federal government to solve our transportation problems. We believe the key to a sound transportation system is a strong partnership between federal and state government. To help be sure Indiana is positioned to keep up its share of the bargain, I proposed in my inaugural State of the State Address - over a year and a half ago - to put part of our new lottery proceeds in a "Build Indiana Fund" to be used for capital improvement projects, including highways and other transportation infrastructure. While I hope to have even more money earmarked for capital highway construction, I have been generally successful in protecting substantial amounts of Build Indiana Fund monies for new highway construction.

In keeping with our state's commitment to developing its transportation infrastructure, and in concert with the creation of the "Build Indiana Fund", I have announced a ten-year highway improvement program which, for the first time in our state's history, attempts to develop long-range intermodal transportation plans based on comprehensive data. A key element of the program is its emphasis on preserving and maintaining our tremendous investment in Indiana's roads and bridges. Preservation needs will more than double over the next ten years because of the need to rebuild our older interstate highways and to replace the large number of deficient bridges built during the public work programs of the 1930s. A respectable level of capital improvements has been identified for construction during the next decade. While we are continually striving to do more with less, such as the state-of-the-art freeway management system, we also recognize the need to build new roadways to reduce congestion and solve other transportation problems.

SUGGESTIONS FOR THE SURFACE TRANSPORTATION ACT'S REAUTHORIZATION LEGISLATION

As the Committee well knows, during the next several months Congress will be debating funding for a $90 billion multi-year federal highway and mass transit program, as the Surface Transportation and Uniform Relocation Assistance Act of 1987 expires on September 30, 1991. I appreciate very much the opportunity to provide input to this Committee from the State of Indiana on this critically important legislation.

Federal funding plays a vital role in the development of Indiana's transportation system. Without it, approximately one half of the work currently being done in all work categories, including bridge rehabilitation, interstate rehabilitation and major construction, could not be completed. For a number of years Indiana has sent more federal highway user fees to Washington than are returned to our state. Since 1956, Indiana has only received 75 cents for every dollar Hoosier taxpayers' have sent to Washington. We believe more equitable federal funding is necessary not only for Indiana, but all the states of the union.

In the 1982 Surface Transportation Assistance Act, Congress inserted a provision into the act which guaranteed each state would receive at least 85 percent of all federal transportation user fees sent to Washington. This "Minimum Allocation Provision" provided our state with an additional $74 million in transportation funds in 1989 alone. It is essential to Indiana, and to an equitable and sound national transportation policy, that the Minimum Allocation Provision be continued in the new federal legislation.

Unlike the recently enacted Minimum Allocation Provision, however, several federal funding formulas have been in place since 1916 and the factors used are simply out of date. We believe it is time to change the current federal funding formulas. Simply put, congestion and deterioration are functions of use, thus distribution of funds should be based on usage of the system as the greatest indicator of need. Current factors such as land area and postal mileage -- which a 1986 GAO report found not to be correlated to either the extent of the Federal Aid highway network or its use, are outdated and should be abandoned.

Indiana would like to see a more simplified transportation program in which the present complex system of 50 or 60 funding highway categories is reduced to two. The first category would be the Highway System of National Significance (HSNS). The HSNS would be composed of existing interstates and some principal state highways, including new routes such as the Evansville to

Indianapolis expressway or the Southern Expressway in Lake County. The intent is to create a state designated, federally approved, national system that is expected to focus a major portion of federal funding on a 150,000 to 180,000 mile highway system. In cooperation with the U.S. Department of Transportation, Indiana would designate its statewide portion of the Highway System of National Significance based upon criteria that reflects national objectives. We would like the factors in these formulas to include total statewide urban and rural vehicle miles of travel, total statewide urban and rural lane miles, and diesel fuel use. More specifically, we support an allocation system which would distribute one-third of the funds based on total statewide lane miles, one-third of the funds based on total statewide vehicle miles traveled, and one-third based on statewide diesel fuel consumption to reflect heavy truck travel.

We also strongly support increased flexibility for state and local projects, which should not only allow for some cost reduction in projects, but also decrease the amount of time necessary to complete projects. States know their own transportation problems and priorities better than anyone. They have the necessary technical expertise to remedy those problems at the state and local level, assuming a responsible degree of support from the federal level. Thus, this second part of the simplified program would be aimed at providing state and local governments with the flexible capacity to meet their distinctive transportation needs. Indiana would like to see this program designed to make funds available to the states for rural and urban highway needs on roads not listed on the Highway System of National Significance. We believe these funds should be distributed based on the amount of revenue a state sends to Washington. This flexible program would replace several existing categories and would cover all projects on the highways of national significance.

We support matching ratio for this flexible category of 75 percent federal and 25 percent state/local. This is identical to the matching requirements of existing programs. Any large increase in the state or local match would cause a tremendous burden on these units of government

I would also like to note that the transportation policy proposed by the USDOT to permit states to utilize toll financing, even if federal funds are also to be used on the same project, is an appreciated new-financing option for state and local governments.

Again, I would like to thank Congressman Visclosky and the other members of the Committee for this opportunity to present Indiana's perspective on transportation issues facing, not only Northwest Indiana, but our entire state and nation.

Testimony

To The

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Munster, Indiana
September 17, 1990

Submitted by:

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BACKGROUND

County government in Indiana is responsible for 66,000 miles of road or 72.5% of the total miles in the state. These road miles serve as a critical link between most Hoosiers and their ability to maintain a healthy economic existence. The 66,000 miles of county roads carry 27% of the state's vehicular traffic.

In addition, Indiana counties are responsible for 12,337 bridges of which 6,167 need to be rehabilitated or replaced. This figure includes bridges 20 feet or longer, it does not account for thousands of small bridges.

According to a study by The Road Information Program in 1989, traffic on Indiana's county roads has increased by 35% in the past three years and is expected to double by the year 2000. The same study shows that over 28,000 of the 46,000 miles of paved county roads (61%) are substandard and in need of major repair including resurfacing and reconstruction. Also, 97% of the over 19,000 miles of county-owned gravel roads need to be regraveled or paved.

HIGHWAY FUNDING

Our nation's transportation system surely qualifies as one of the most critical areas for intergovernmental cooperation. It is counterproductive to view our surface transportation network as seperate federal, state and local components. To better serve the needs of the people paying for the system, we must recognize it as one complex integrated system.

The roles of the three levels of government have been mixed and with the near completion of the interstate highway system we have the opportunity to address some problems of the past.

The federal role in highway funding is critical but consider the following: 79% of all rural and 74% of all urban roads in the United States are not eligible for federal aid. Federal highway funds coming to Indiana have decreased by over 17% from 1985 to 1990.

From 1956 to 1988 Indiana received 75 cents in federal highway aid for every dollar we sent to Washington. With the enactment of the 85% minimum allocation formula we have fared much better, but it's hardly a bargain to send someone a dollar and get back 85 cents.

Local units of government and the State have taken aggressive roles in addressing this crisis. The State, over the past decade, has raised motor fuel taxes several times and local governments have imposed numerous local option taxes. In fact, 75 of our 92 counties now impose a local income tax. Almost half of them have adopted the new tax within the past five years with highway funding being one of the driving forces behind the adoption. Still, with the increase in cost of materials and labor, and the decrease in federal assistance in all program areas (local governments have seen an almost 50% reduction, nationwide, in federal aid in the past decade) we have not been able to properly maintain our existing system, let alone build new roads.

INCREASED FLEXIBILITY:

One of the most frustrating experiences of a county commissioner in Indiana is to use federal funds for a transportation project. The "strings" and "red tape" attached to a federal dollar are enough to have many counties forego a federal aid project. It is highly unfortunate that a typical federal aid bridge project will take four years to complete. Sometimes as equally intimidating is the local match requirement. Many counties do not apply for federal highway assistance because they do not have the local funds to meet their share.

MASS TRANSIT

As disturbing as the low return on federal dollars for roads is, it is nothing compared to mass transit funds. For the period of 1984 to 1989 Indiana received 21 cents for mass transit for every dollar we sent. Hoosiers are known for our independence and self reliance, perhaps that is why we have one of the highest per capita vehicle usage rates. But it is inevitable with air quality problems, urban congestion and suburban mobility that we must rely more on mass transit in our state. To do so we should be receiving a larger share of federal mass transit funds. Also needing to be addressed is the lack of flexibility on mass transit funds.

RECOMMENDATIONS

In conclusion, the Association of Indiana Counties recommends the following:

1) The minimum distribution to "donor" states be increased. This can be done by either raising the 85% minimum allocation or adjusting the distribution formula.

2) A maximum amount of flexibility be granted to states and localities for use of federal highway funds. This can be accomplished through a block grant type program or reducing restrictions in the federal statute or regulations.

3) The Highway Trust Fund should be spent down to a reasonable balance and not be used as a ploy to show a reduced budget deficit.

4) Congress should avoid increasing motor fuel taxes to reduce the federal deficit.

5) There should be no change in the formula to favor states over local governments.

6) A minimum allocation should be established for mass transit funding. Mass transit funds should also have maximum flexibility.

7) Congress should oppose increasing state and local governments share on projects that require matching funds.

Northern Indiana Commuter
Transportation District
33 E. U.S. HIGHWAY 12 (219) 926-5744
CHESTERTON, INDIANA 46304
the electric interstate
NICTD

TESTIMONY OF GERALD HANAS, GENERAL MANAGER
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Before
THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEPTEMBER 17, 1990

Transportation is as necessary an element of the national, regional, and local economy as are jobs. A well balanced transportation system is a requirement for economic health, vitality, and growth. The U.S. Department of Labor estimates that in 1987, nearly 19% of consumer spending was spent on Transportation, second only to housing in dollars spent. This large percent of a consumer's budget is spent on a service that, with few exceptions, has no intrinsic demand - it is not demanded for what it is. Transportation is unique in the range of economic processes for it is demanded not due to any unique attributes of the mode or system, nor is it demanded and consumed in and of itself, but because economic activities and factors of production and consumption are separated by distances and need to be assembled in one place for economic transactions to occur. Without transportation these economic transactions cannot take place and societal wealth cannot be created.

Since the process of transportation is not in and of itself that which is demanded, but rather is an intermediary process which contributes to economic well being, it is especially important that a balanced transportation system be available so that as little cost as possible be consumed in the process of travel, thereby freeing up resources and capital for the primary purpose of this society - creation of wealth. A balanced system contributes to a reduction in transaction costs by promoting competition, but more importantly, by making available that transport mode with the characteristics most appropriate for the type of travel required.

I manage a metropolitan commuter rail system in the Chicago/Northwestern Indiana region, The South Shore Line Rail Passenger Service. When I first became involved with this system, only about 3,000 people rode the train on a daily basis. In the twelve years since my involvement, ridership has over doubled - now over 6,200 people take the train, contributing to a daily average ridership of about 12,500 trips. Over $100 million in local, state, and federal money has been spent over the past twelve years to get the system where it is today and to over double the ridership, and more will be needed. How does this relate to a balanced transportation system? Those 6,200 people ride the train over a very limited period of time, about a 2 1/2 hour period in the morning and again in the evening over a 2 1/2 hour time period. To put this many people into automobiles to make the same trip in the same time interval would require two additional highway lanes going into the City of Chicago and an extra two lanes leaving Chicago. The average length of trip for our rider is just short of 30 miles. Does anyone believe that a four lane urban interstate 30 miles long could have been built and maintained during this time period for $100 million? Without our rail service, without a balanced transportation system, the question of cost for a 30 mile long urban interstate would not be speculative - the question would have to be asked, and further, the road would have to be built, regardless of the cost, because the need is there.

Appropriate public investment in a balanced transportation system saves society untold millions of dollars which can be better spent in other wealth creating activities.

In low density urban and rural areas an appropriate transportation investment strategy may emphasize a dense network of streets and highways. In large metropolitan regions, such as Chicago, an appropriate investment strategy must include a high capacity network capable of handling large numbers of people in a short period of time and be consistently safe, economical, and quick.

A balanced transportation system must provide a range of modes - choices - so that the best option for a range of needs will be available for use when needed. To provide for a balanced transportation system, a balanced investment strategy must be developed and implemented. An unbalanced investment strategy will lead to an unbalanced transportation system and a wasteful, inefficient investment.

When choosing from a range of transportation projects in which to invest, direct monetary costs must, of course, be considered. But the indirect costs, or externalities, must also be considered to create not only a balanced transportation system, but also to contribute to a balanced economic system of which transportation is only one component, albeit an important one.

The region through which The South Shore Line operates is not in compliance with the Environmental Protection Agency's Clean Air guidelines. Further development of heavy industry is severely curtailed, so the region, closely linked with the steel industry, must restrict expansion in the economic sector of which it is preeminent. This region has just undergone a major structural change in its economy with significant disruptions to its job force. Continued, unrestricted growth in the use of the automobile, which is a significant air polluter, directly reduces the number of jobs which can be created in Lake and Porter County, Indiana. While I have no quarrel with clean air, I must take issue with the concept that because automobiles are allowed to continue to pollute the air, fewer steel jobs can be created or existing jobs retained. A transportation policy and investment strategy that continues to promote highway expansion, that impairs the ability of mass transit to do what it does best - move people - seriously impairs the economy and economic growth, at the local, regional, and national level, and undermines the true role of transportation as a lubricant for economic transactions. Fewer automobiles polluting the air in Lake and Porter County will lead to cleaner air and the lifting of economic development restrictions. More jobs can then be created. The South Shore Line helps reduce the number of automobiles in use, thus it will directly contribute to the creation of regional jobs.

In closing, a balanced transportation system calls for a balanced investment strategy which in turn leads to a balanced, strengthened economy. Any public investment for transportation must include significant levels of funds for public mass transit. Public investment strategies over the past forty years have not been balanced. That led to a systematic decline in the contribution and role of mass transit as a component in a balanced transportation system. The decline in fortunes of mass transit was reversed with a pattern of federal investment in the operating and capital needs of transit systems throughout the country. Do not undo the good that has been done to date, for much remains to be done.

Thank you for inviting my testimony today. I will be happy to answer any questions you might have.

1976

UNSAFE RAIL-HIGHWAY CROSSINGS IN INDIANA AND RAILROAD ABUSES

Presented
on
9-17-90

BY:

Rudolph F. Kapitan

President CARRS, Inc.
6929 Hendricks St.
Merrillville, Indiana
46410

Good afternoon ladies and gentlemen,

From the moment we are born, society takes great care and exerts much effort to protect and to preserve human life. In our country that effort is well manifested not only by our medical community but also by industry and science where virtually all their efforts are spent to promote and protect life. Man's primary instinct is to preserves himself. We call that the instinct of self preservation. The manifest actions of society attest to that most worthy and noble instinct. There is, however, a force, a system in our Society which counters those basic aspirations geared to promote and protect life. That system is the railroad industry in the United States. For too long they have been allowed to wallow in callous disregard of our rights as they take from us our lives, our limbs and our properties. Each year thousands of families are ravished by nightmares caused by an irresponsible railroad system.

In my hand I have a death certificate. It is a death certificate of my 30 year old son Rudy J. Kapitan. It specifies that his death occurred at the Grand Trunk's Hendricks St. crossing in Merrillville. Here is a photograph of his crushed vehicle. If you will look closely you will see his mangled body laying some 25 feet from the wreckage. Rudy was returning from Church early Sunday morning Nov. 6, 1988. It was a snowy day and the visibility was poor. No gates or lights were there to warn him of an extremely hazardous situation. It was at this crossing in Oct. of 1987 that Julie Rothenberg was killed and that Frank Razmus was killed in 1986. Three fatalities in less than 30 months to say nothing of many other accidents at that infamous crossing. Dana Meulemans of Griffith is a survivor of one of those tragedies. His life was forever unmistakeably altered there on July 22, 1981 by a speeding Grand Trunk freight train. To this day the nightmare of this 26 year old Dana haunts him as he continues to make attempts to recover from that crushing, near death experience.

I quote State Statute; " The railroads are responsible to afford security for life and property of persons and vehicles using the public highways. Does the photograph of Rudy's mangled body and crushed vehicle connote compliance with that statute. Do three fatalties in less than 30 months at the Hendricks St, crossing connote compliance? There could't be a more flag rant violation of that statute! It typifies railroads callous disregard for what most of us holdsacred - LIFE! Federal Railroad Administration statistics paintan alarming picture of carnage at rail-highway crossings throughout Indiana. According to these statistics published by the FRA in their RAIL-HIGHWAY CROSSING ACCIDENT/INCIDENT and INVENTORY BULLETIN NO. 10, published in August of 1988, of all the states in the union, Indiana, although it ranks 15th in population and 34th in land area, ranks FIRST in total fatalities caused by passenger trains at rail-highway crossings; SECOND in total casualties and THIRD in total of all fatalities at rail-highway crossings.

These horrendous statistics prevail not because of our large land area. The land area of Ind. is 36,000 square miles, or 1% of the 3,600,000 square miles of land area for the entire United States. Yet, 8% of all rail highway fatalities occur in our state - ONE OF EVERY TWELVE RAIL-HIGHWAY FATALITIES IN ALL OF THE UNITED STATES HAPPEN IN INDIANA. When we encourage travelers to "Wander Indiana" we should warn them that their chances of getting killed or injured at rail-highway crossings in Indiana are better in our state than in any other state in the union!!.

The statistics mentioned above are not the result of a high volume of vehicle registrations in Indiana. With 4.5 million registrations, Ind. ranks 14th of all the states in vehicle registration. Yet, per 10,000 registrations, Ind. ranks

2nd in total train car accidents; 2nd in total injuries and 3rd in total fatalities at rail highway crossings.

Are we Hoosiers a wreckless lot hell bent on self destruction? Is that what the FRA, the railroads and Operation Lifesaver want us to believe? Do they believe that Hoosiers' rights are adequately protected at railroad crossings in Ind.? To place the blame for these shocking statistics on us, the Indiana motorist, is an affront to our intelligence!!

I submit that when you or I fail to be 100% attentive to the demands placed on us as highway users, we're only human! Should we then be condemned to death because of our humanity, because of a momentary misdirection of attention? Should not the extreme hazard of a MEGA TON TRAIN, speeding along at up to a permitted 110 m.p.h. be unmistakably marked as EXTREMELY HAZARDOUS?? Killers on death row are afforded more consideration than this.

The state of Ind. has the most uncontrolled crossings in the United States. Of the 7744 rail-highway crossings in Ind. only 967 are protected by gates and lights - 88% of all our crossings do not have gates and lights!!

In Aug. of 1989, I wrote to Vice Pres. Quayle. I quote from that letter - "From one Hoosier to another, Mr. Vice President, I am appalled by the horrendous statistics regarding railroad crossing accidents and fatalities. I'm ashamed to know that our State has faired so very poorly in protecting Hoosiers' rights to life. I'm devastated by the fact that we in Ind. have proved so powerless against the mighty railroads. Mr. Quayle, Vice President of the United States, fellow Hoosier, we look to you for assistance and guidance as we proceed in our cause to make railroad crossings safer not only in Ind. but throughout the United States. We ask, Sir, for your recommendations and support as we begin our 'David & Goliath' struggle with the powerful railroads." End of quote. I was disappointed that there was no response from Vice Pres. Quayle or from his office.

A similar letter went to Governor Bayh. His response began, and I quote, "As Governor I receive many letters. Yours especially touched me because it eloquently conveys your love for Rudy; a love so strong that a positive force emerged from grief. Your commitment to prevent further tragedies is an enduring tribute to your son Rudy." The Governor continues: "It is imperative for local officials to take the initiative in securing available federal and state money... It is equally important for Hoosiers to contact their congressmen and senators about the need to continue Section 130 Rail-Highway Grade Crossing Safety Program. Section 130 is vital because without it, there would not be any enforcement of railroad safety. This program expires on Sept. 30, 1991. I assure you that my Administration will lobby Indiana delegation and support your group's efforts to continue this program." End of quote.

Ladies and Gentlemen of this committee, we need your support at the Federal level to fund and implement safety programs in Indiana, mindful, however, that the railroads must be made to pay their fair share.

Three weeks after Rudy's death, gates and lights were installed at the Grand Trunk's Hendricks St. crossing, paid for with State and Federal funds. The improvement cost the railroad not a solitary dollar. As a matter of fact they most likely made a profit on the installation since their crew did the work with material supplied from the railroads warehouses. The Grand Trunk and the FRA knew of the extreme danger at that crossing. The Hendricks St. Hazard Index assigned to it was formulated based on a questionnaire prepared by the Grand Trunk. Prior tragedies were used in the compilation of the Hazard Index for Hendricks St. The railroad knew that if they waited long enough, perhaps for another fatality, the order to place the improvements would be issued by the State who would then be responsible for the payment. And, so it was. My son Rudy was killed, Senators Lugar and Quayle issued a directive to Jack Isenbarger, Director Indiana Dept. of Highways and the gates and lights were on their way. The Grand Trunk became the beneficiary of this improvement at our expense, at the expense of my son's life!!

The maintenance of those gates and lights,installed by a Grand Trunk crew, became their responsibility. Guess what? The Grand Trunk struck out again. Those gates and lights have malfunctioned many times since their installation. Example: on July 9, 1989, lowered gates and flashing lights signaled, for hours, the approach of trains which never came. On the July 22nd & 23rd weekend, the gates were down and lights flashed continuously for over 16 hours. On Nov. 3rd 1989 at 6:30 AM, my wife Mary and I crossed around lowered gates. The Merrillville police Dept. was notified. Again, at 10:00 that morning, with much apprehension we crossed around lowered gates as the malfunction continued uninteruptedly. I was at the crossing at 2:00 PM when Grand Trunk truck #424 arrived. I asked the driver his name and the time he was dispatched. Tom Brozo said he received a call to go to the Hendricks St. crossing at 1:30 PM, approximately 7 hours after the first report went in to the Grand Trunk by the Merrillville Police Department.

On Dec. 30, 1989, an extremely foggy day, those newly installed gates and lights, installed under the supervision of and by Grand Trunk personell, signaled the approach of oncoming trains uninteruptedly for over 10 hours. Hundreds of vehicles crossed around those lowered gates. My wife and I did four times (we live about a mile south of the crossing). We called the Merrillville Police Dept several times. We were assured that the Grand Trunk was notified. Since the RR failed to respond I asked the Police for the telephone number. They said it could not be given. It was after 11:00 PM that night when we crossed those tracks under extremely foggy conditions. The gates were down and lights flashing since midday. I again called the police dept and suggested that they close our road because of the extremely hazardous condition which existed at the crossing. I convinced the Sgt. on duty to give me the Grand Trunk's Tel #. I then called Pontiac, Michigan and spoke with a Terry Biggerstaff. He said he knew nothing about the malfunction. Sarcastically he added that he certainly could do nothing about it as long as he was talking to me. His attitude reminded me of Merrillville Town Board Member Bill Kurtis'assessment of the Grand Trunk and it's personnell He said I may quote him, and, so I do: "The Grand Trunk and their personnell are arogant, uncooperative bastards". Bill had many years of frustrations at the hands of the Grand Trunk. All these instances of the Grand Trunks callous disregard for our rights happened at just one crossing in Merrillville. Our police department was powerless to do anything as the Grand Trunk flaunted a superiority protected by the Federal Authorities. There are two other Grand Trunk crossings in Merrillville which are in deplorable condition. Our town Fathers and our Police Dept. have again been powerless in their attempt to correct railroad violations. It is not uncommon to see parts of automobiles strewn over the Taft St. and Broadway crossings - mufflers, broken shocks, tailpipes and entire exhaust systems. Numerous accidents happen at these crossings. The posted speed limit on these State Highways is 35 m.p.h. In order to negotiate the crossings with an intact auto, you must come to a near complete stop. In June of 1989 the Grand Trunk made repairs to the Taft St. crossing which was closed for days. When it reopened it proved to be a tribute to shoddy and ineffective railroad repair work.

Not long after my son Rudy's tragic death, we organized a group of concerned citizens and victims of railroad attrocities. We named the organization CARRS.

Citizens Against Railroad Slaughter. Our primary objective would be to promote safety at rail highway crossings. To that end we outlined six proposals as goals for our organization. 1) Demand flashing lights as minimum protection at every rail-highway crossing in Indiana. 2) Require mandatory alcohol and substance abuse testing of all railroad personnellinvolved in any accident. 3) Set a time limit for a railroad to correct malfunctioning signals, imposing penalties for delays. 4) Educate through media publicity in order to correct railroad abuses. 5) Promote legislation which would compel the railroads to pay their fair share for rail crossing improvements. 6) In general, whenever or wherever necessary we will strive to promote safety at every rail-highway crossing in Indiana.

With regards to our first proposal - flashing lights at every crossing - we ask that you allocate funds for that purpose, or promote legislation which would compel the railroads to do so. The railroads must be legislated into being responsible for their fair share of the cost of improvements to their right of ways. The scales of justice must begin to be tipped towards center position. The excessive burden placed on our federal and state tax revenue dollars by the railroad, have for too long been shouldered by a society continually plagued by legislation geared to protect a callous railroad system, even to the detriment of and at the expense of human life.

Our second proposal is one that would mandate alcohol and substance abuse testing of all railroad persomell involved in any accident. Again, legislation is geared to protect the railroad and its persomell. They claim it would be a violation of their fourth ammendment rights. What about the rights of the slaughtered victim. My son's body was carried to a morgue to be further violated by a mandatory autopsy. The train engineers, the killers if you will, were allowed to leave the scene without as much as a breathalizer. What an obscene travisty of justice. This cannot be allowed to continue.

Had our third proposal, setting a time limit for railroads to respond to correct malfunctioning signals and impose penalties for delays been implemented, there would have been a prompt response by the Grand Trunk to correct all those incidents of malfunctioning at the Hendricks St. crossing, as outlined above. I have asked our town board president to implement this third proposal. My request has fallen on deaf ears. Perhaps one of you has a recommendation.

Our fourth proposal is one of educating the public through media publicity. Some of my testimony today is about that. CARRS proposes that we have a right to be informed regarding railroad hazards without federal restriction and prohibition. Federal legislation which protects railroad abuses from disclosure must be changed. Prohibition against disclosure of state reports and surveys as outlined in Chapter 4 of Title 23, U.S. Code prohibits the release of, and I quote "reports, surveys, schedules, lists or data compiled for the purpose of identifying, evaluating, or planning the safety enhancement of potential accident site, hazardous roadway conditions, or rail highway crossings." In my hand I have a copy of such a contraband survey. Bob Savage of Fort Wayne was killed at the unprotected Dogwood Road crossing in Marshall County. His widow Carol paid a private investigator several hundred dollars to obtain this survey. It specifies that of all the rail-highway crossings in Marshall County, the Dogwood Crossing, Bob Savage's death crossing, had the highest hazard index. Yet to this day, the crossing remains mechanically unprotected because reports such as this hazard index report has a disclosure protection by Federal law. My letters to the FRA and others for information regarding the hazards at the Hendricks St. crossing where Rudy and Julie and Frank were killed, have all gone unanswered. That type of protection afforded the railroads by a federal agency must be stopped and the laws changed.

The fifth proposal asks that the railroads pay their fair share for improvements made to and on their right of ways. In Indiana the disproportionate sharing of these improvement costs is alarming. The Indiana Public Utilities Commission determinesthe division of costs between the railroads and highway authority. Generally it'sfunded 90% Federal revenues and 10% State revenues. In Michigan according to a letter received from Earl C. Opperthauser, V.P. and General Counsel of the Grand Trunk Western Railroad Co., quote " The State (Mich.) contributes 65%, the local road authority 10% and the railroad 25% for installations...When the Michigan Department of Transportation orders in automatic protection and neither Federal or State funds are available, the statute requires a 50-50 split as between the railroad and the road authority" end of quote. Indiana lags far behind our neighboring state of Michigan, and FRA statistics attest to that also.

The November 1989 issue of Railway Age published past and proposed grade crossing outlays. The 1985 to 1987 average expenditures at public rail highway crossings, apart from maintenance expenditures, total $520,000,000. 57% of all the funding was supplied by Federal Funds, 33% by State funds and only 10% by the railroads. 100% of the maintenance costs should have been provided by the railroads; but, that was not the case. State and Local authorities contributed over $16,000,000. to maintain railroad right of way equipment and improvements. I repeat, ladies and gentlemen, you and I pay a disproportionate share of total expenditures at rail-highway crossings. Estimated annual needs for public rail-highway crossings through the year 2005 total $853,000,000. According to 1985-87 averages, the railroads share in improving and maintaining their right of ways would be a paltry 8 million of the projected 853 million dollars needed. That must be changed!

Most of the rail-highway crossing safety related work is funded by Section 130 (203). It is the fate of this program, whose current authorization expires in 1991, that has railroad people worried says Railway Age. They are concerned not only about its renewal, but in what form it might be renewed. There is fear, for example, that the current 90% federal - 10% local match formula might be revised to require a higher local share (which could mean higher costs for railroads); or that states might be given some discretionary authority over the expenditure of this "dedicated" money - in which case, railroads believe, much of it would be dedicated to other than crossing safety needs. That is exactley what we need. The railroads must begin to pay their long overdue fair share! The architects of a new National Transportation Policy must include voices such as mine so that long overdue railroad improprieties be corrected.

There is much public outcry regarding the Savings and Loan scandal and the bailout at taxpapers expense. We have had a railroad bailout scandal for years and years. That scandal has not been addressed. It is time to do so here and now.

The voice of my son Rudy cries out from his grave to correct the obscene and disgraceful state of railroad affairs in Ind. From hundreds of graves throughout Ind. Rudy's lament is joined by the cries of hundreds to put an end to railroad abuses, to the kind of irresponsibility which denied them their constitutionally guaranteed right to life, liberty and the pursuit of happiness.

The nightmare caused by Rudy's tragic and violent death will never cease. It is with broken hearts that we consider the acts of omission and commission of those responsible for rail-highway safety. Legislative bodies continue to be plagued by legislation geared to protect what the railroads claim to be their unjust and unfair rights, at our expense. Powerful lobby groups are positioned throughout this state and nation, concerned only with promoting the selfish demands of railroads.

CARRS, Citizens Against Railroad Slaughter invite your individual and collective assistance. Special thanks to Congressman Visclosky and to his Legislative Director, Robert Falb for incorporating rail-highway safety as a topic for discussion at this hearing; and thanks for asking me to participate.

Statement of Terry J. Kleban

TO: MEMBERS OF THE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

I am testifying before this Committee in hopes that something can be done to alleviate the congestion on the Borman, surrounding expressways and toll roads in Northwest Indiana.

As a professional driver, I travel all of the connecting expressways and toll roads on a frequent basis and I'm amazed at the number of people utilizing the Borman.

Driving to or from Chicago, drivers have three alternatives. They can either travel the Chicago Skyway (I-90), take the Dan Ryan (I-94) and link up with the Calumet, Kingery and Borman at the state line, or take the Tri-State (294) and make a circuitous route to their destination.

If the Indiana Toll Road and the Chicago Skyway is utilized, drivers encounter rough pavement with a perpetual closed lane in either direction combined with an excessively high toll.

Commercial vehicles, going to and from the heavy industrial centers in Northwest Indiana served by the Toll Road and Skyway, feel the brunt of a regressive and cost prohibitive toll to utilize the only viable means of access to the Chicago markets.

If people choose to go thru the city on the Borman, Kingery and Calumet Expressways, then delays are encountered because over saturation during peak commuter times and ongoing construction and maintenance.

If the Tri-State is utilized, then one can expect toll collection barriers every twelve to fifteen miles causing massive delays. As you can readily see, this is not the most energy efficient and economical way to do business.

It has been said that the fifteen miles between the state line and the toll road entrance are one of the most densely travelled sections of roadway in the United States; three lanes in each direction dumping into I-65, I-90, I-80, I-94 and I-294.

Anytime there is an accident or lane restriction of any type, the system breaks down because one highway feeds from another. Many times I have been forced to sit in slowed or stopped traffic for forty-five minutes or an hour because of an accident or road construction. Since a large majority of commercial drivers are paid by the mile or percentage, they are not compensated for the additional time on their trip while sitting in slowed or stopped traffic. The automobile commuters also are late for work or late getting home to their families. This means lost productivity and delays.

My recommendations to this COMMITTEE [illegible] panel would include but not be limited to the following:

(A) Consideration of lowering the Skyway Toll charge. This would ease some of the traffic off the Borman, possibly by 10% to 15% onto the Toll Road and Skyway.

(B) Adding another two lanes in both directions from the state line to the Indiana Toll Road, a distance to fifteen miles.

(C) Extend Cline Avenue expressway south and link up with a newly constructed U.S. Rt. 30 Bypass from Merrillville to Valparaiso.

(D) I would THEN build a limited access highway ~~to bypass~~ THE MILLS because new business construction has a way of developing along bypasses, bringing with it stop lights, shopping centers, etc. thereby defeating the purpose of a bypass. AND CREATING GRIDLOCK

(E) Entice commuters to park their cars at conveniently located, safe, well lit parking lots and take commuter buses to and from the mills and Chicago. These commuter buses could coordinate with the South Shore and Amtrak to offer fares that would be attractive to commuters. These modes of transportation would have to be dependable, safe, affordable and on time.

If some of these recommendations are acted upon, I think some of the traffic flow problems we have in Northwest Indiana can be resolved.

I thank you for your time.

Sincerely yours,

Terry J. Kleban

WRITTEN TESTIMONY OF

COLIN MACKENZIE
CHAIRMAN
TRANSIT FINANCE COMMITTEE
NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
324 OGDEN DUNES
PORTAGE, INDIANA 46368

BEFORE THE
INFRASTRUCTURE FIELD HEARING
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

MUNSTER TOWN HALL
MUNSTER, INDIANA 46321

SEPTEMBER 17, 1990

Mr. Chairman and Members of the Committee:

I wish to thank you for coming to Northwest Indiana to listen to transportation needs and concerns in Northwest Indiana. I appreciate the opportunity to speak on behalf of the needs and concerns of mass transit in Northwest Indiana as you prepare to reauthorize the Surface Transportation Act.

Transportation is the movement of people, goods and services. Our nation has prospered and developed in large part due to the development of highly efficient transportation and commmunications networks. Transportation discussions often emphasize the movement of vehicles. My remarks on mass transit, however, will emphasize the movement of people. Mass transit offers an alternative to private autos by moving people in high occupancy vehicles such as trains, buses and vans while simultaneously reducing congestion, improving highway safety, conserving gasoline, reducing noise pollution and improving the quality of our air.

Transit 2000, a pamphlet published by the American Public Transit Association (APTA), is an excellent summary of mass transit's benefits, needs, concerns and recommendations. A copy is attached to this statement for your review. My remarks will focus on mass transit in northwest Indiana.

PUBLIC TRANSIT IN NORTHWEST INDIANA

Description of Services

Northwestern Indiana public mass transit systems serve over seven million passengers per year on a commuter rail system, a commuter bus system, five local bus systems and over fifteen paratransit systems in three counties representing both urban and rural populations.

The South Shore Railroad is a public corporation and provides interurban commuter rail service to both Indiana and Illinois residents, most of whom work in Chicago. Its ridership has increased steadily in past years and in 1989 it served over 2.6 million Indiana passengers and over one-half million Illinois passengers. The electric powered train maintains air quality and provides service to both urban and rural areas in four counties from South Bend to Chicago.

Amtrak provides a commuter rail service between Porter and Lake Counties and Chicago. It serves over 100,000 passengers per year.

A privately owned commuter bus system transports over 300,000 Indiana passengers between Lake and Porter Counties where they live and Chicago where they work.

Local public bus systems in the five cities of Gary, Hammond, East Chicago, Michigan City and LaPorte serve over three and one-half million passengers per year. Many of the passengers are students, the elderly, and those who can't afford cars or are otherwise unable to drive.

About 15 social service organizations provide public transit on a demand response basis to the elderly and handicapped. In 1989 they provided service to over one-half million passengers.

Benefits to Northwest Indiana

Approximately 41 rail cars, 21 commuter coach buses, 76 city buses and 200 paratransit buses and vans contribute to the transportation infrastructure of Northwest Indiana.

All sectors of northwestern Indiana society use the service including the employed and unemployed, the youth and the elderly, the affluent and the poor, the handicapped and the able-bodied.

Both public and private corporations and organizations provide the services.

According to APTA estimates, the over 7 million northwestern Indiana mass transit passengers who annually choose not to drive private autos also helped to conserve energy and they improved the quality of our environment.

They reduce congestion on our already severely congested highways and roads. Over two and one-half million private autos per year are removed from northwest Indiana roads and highways each year.

They save over 92 million gallons of gasoline per year, or the equivalent of 231 large storage tanks.

Over 290,000 tons of air pollutants are removed from our air each year. Those pollutants include hydrocarbons, carbon monoxide, nitrogen oxides and particulates. They would fill 3,843 large rail container cars to capacity and the train would be nearly 5 miles long!

NEEDS AND CONCERNS

We need to build a sound financial base for our public transit systems. Federal funds for mass transit have been reduced by an average of 8 percent per year for the past five years and those funds have not been replaced by any other source.

Declining federal funds have caused a corresponding decline in the quality of service provided to our passengers. Repairs and maintenance of vehicles have been delayed so that minimum services can be maintained. Capital investments needed to modernize and expand fleets so that services can be improved are put on hold year after year.

Our mass transit fleets are aging and vehicles breakdown frequently. Passengers often find their rides uncomfortable and they are sometimes unable to get to their destinations on time. We have been unable to afford the cost of expanding transit services to city residents who need transportation to jobs and services in the suburbs or to rural residents who also have special transportation needs.

The Administration has proposed that federal operating funds be eliminated for mass transit systems in urban areas with a population over 1 million people. Its rationale is that federal operating funds account for less that 6% of the operating budgets of large urban systems. Northwest Indiana has been federally designated to be part of the larger Chicago metropolitan area but its systems are small relative to the Chicago rail and bus systems. Federal funds accounted for over 30% of our mass transit operating budgets in 1989. Elimination of federal operating funds would have a devastating effect on mass transit in northwest Indiana!

Without a reliable and predictable source of funding for mass transit, northwest Indiana cannot successfully plan or implement federally mandated, but unfunded, improvements to our mass transit system or to meet the changing transportation needs of our people.

Over the past decade there have been population shifts, a changing economic environment and a decline in national commuter rail systems. Many former Illinois residents have moved to the West Lake County area and many of them continue to commute to their jobs in Chicago. A significant number of people who commute to jobs in Chicago also live along the corridor from Valparaiso to Chicago and the present Amtrak commuter rail service is likely to be terminated within months. Our residents also do not have access to any mass transit that would transport them from one area of northwest Indiana to another.

Northwest Indiana has studied and identified a need to establish a new commuter rail service along mostly existing track from Lowell to Chicago along the Westlake Corridor, a need to replace the terminating Amtrak commuter rail service from Valparaiso to Chicago, and to expand its local city bus service to include regional inter-city bus services.

The costs for these new systems would require federal, state and local funding. It is critical that we begin immediate acquisition of rail corridors and some of the track will need to be replaced or improved. New and used rolling stock needs to be purchased. More planning is required to balance and integrate our mass transit and highway systems. However, the benefits would be to provide alternatives to private auto use for all our citizens, improve our transportation infrastructure, reduce congestion on the highways, conserve energy, and improve the quality of our air.

The costs for these new mass transit systems would also cost less than building new highways. APTA estimates show that major highways can cost $100-120 million per mile. However, busways can be built for $10-20 million per mile and commuter rail systems along existing track cost considerably less than major highways.

In recent years federal legislation has been enacted which mandates costly changes and improvements to our mass transit systems but it has not provided the funding with which we can make them.

The Clean Air Act mandates that all new buses purchased must contain alternative fuel engines. Those engines would reduce the emmission of air pollutants but they significantly increase the cost of buses as well. Our mass transit systems cannot afford further capital costs as federal funds are declining and operating costs are rising. Without increased funding to comply with the alternative fuel engines mandate, northwest Indiana passengers may face an even further decline in the quality service.

The American Disabilities Act mandates that disabled citizens have equal access to mass transit, a goal in northwest Indiana for many years. The Act requires that all newly purchased mass transit vehicles must be equipped with wheelchair lifts, another significant cost increase for new vehicles. Our transit systems must also increase planning costs so they can develop plans for complying with the Act within within the required 18 months. However, no federal money is available to assist our transit systems comply with the mandates. Again in the attempt to improve transit services for all our people, we are caught in another cost squeeze and the effect may actually be a further decline in quality of service.

LOCAL AND STATE EFFORTS

At the local level, our mass transit systems have cut their operating and capital expenditures. To maintain minimum services, our systems annually trade away a portion of their federal capital dollars to northeast Illinois in return for their operating dollars. The trade causes northwest Indiana to lose $1 for every $3 traded. The result is delayed capital investments.

Several transit systems have also raised their fares in recent years.

Operation Bootstrap is a joint effort by both the public and private sectors in northwest Indiana to raise local revenue which would partly fund regional and local transit projects. A legislative proposal is being packaged to be presented to the next session of the Indiana General Assembly. If it is successful, northwest Indiana could be empowered to raise regional revenue to help pay for regional and local transit projects.

At the state level, the funding source for mass transit is .76% of the 5% state sales tax and it has not been increased in past years. An Indiana Transportation Association proposal to raise the mass transit fund from .76% to 1.20% will be presented to the next session of the Indiana General Assembly. We are hoping for favorable consideration of and legislative action on the proposal which would add about $2.8 million to 8 transit systems in northwest Indiana.

SPECIFIC RECOMMENDATIONS

We believe that public mass transit in northwest Indiana is benefiting our own citizens as well as helping to meet our national goals of a balanced and integrated transportation system, an improved transportation infrastructure, reduced highway congestion, increased highway safety, improved air quality, equal access to transportation for all citizens, and energy conservation. We also believe that support and funding for mass transit should be a partnership of all levels of government.

The federal level of support for mass transit has been declining in past years and we strongly urge that it be restored and treated as a higher priority as it is in most other developed countries.

As you prepare to consider the Reauthorization of the Surface Transportation Act we urge the following:

- The funding level for mass transit should be adequate to meet our national goals. APTA estimates that $11 billion level is necessary to adequately fund mass transit. There should be a spend-down of the Mass Transit Account of the Highway Trust fund.
- The funding sources for mass transit should be reliable and predictable so our systems can plan for longer than one year at a time. The annual gas tax receipts for all mass transportation programs should be increased.
- Federal operating assistance needs to be maintained for the smaller mass transit systems which are considered to be part of large metropolitan urban areas.
- The federal share for all programs should remain at current levels. The Administration's proposal for a 60% federal share would make it more difficult for northwest Indiana mass transit systems to compete with the larger urban systems for federal funds. Large urban areas can raise more local matching dollars.
- Mass transit and intermodal transportation planning funds need to be increased to assure balanced and integrated transportation programs for northwest Indiana.
- Local flexibility needs to be maintained so that we in northwest Indiana can determine our own mass transit and intermodal transportation prioities.

Thank you again, Mr. Chairman and Members of the Committee, for listening to the needs and concerns of mass transit in Northwest Indiana.

1991

TRANSIT 2000

Executive Summary

of the American Public Transit Association's Transit 2000 Task Force Final Report

No threat to the quality of life in our communities is greater than the continuing decline of mobility. Explosive growth in travel demand, inattention to transportation investment needs, the harmful consequences of land use decisions, and our insatiable appetite for automobile use are overwhelming our transportation systems and facilities. In turn, the increasing inability of those transportation systems to handle the efficient movement of people and goods undermines our regional economies, weakens our international economic competitiveness, and dramatically diminishes the quality of our environment.

In the face of these challenges, we are afforded a rare opportunity to fashion a new generation of national transportation policies, as current federal programs expire and new national leadership embarks on an effort to formulate new policies to guide future transportation investment in America.

In response to these challenges and opportunities, the APTA Transit 2000 Task Force was formed in 1987 to explore how we can create more productive and liveable communities, and to outline the major contribution that public transportation can make in that effort. The Task Force believes that the fundamental principles and program recommendations that are highlighted here reflect the kind of perspective that must govern transportation policy if we are to move wisely into the twenty-first century.

The conclusions of the Task Force, which are drawn from the 1989 Final Report, center on the need to:

- more closely integrate transportation and other national goals and policies;
- provide viable options to dependence on the auto;
- retool and redirect federal transportation programs to reflect the above; and,
- increase investment in the nation's transportation systems and services.

The recommendations also serve to strongly reinforce the growing importance of public transportation in the years ahead.

APTA

1992

THE FORCES

In communities across the country, we currently are faced with a daunting array of troubling conditions that are growing to crisis proportions. Our shared experience now includes:

- Intolerable and costly congestion on urban and suburban roads with too many vehicles seeking to use limited roadway facilities;
- Increasing isolation of rural residents, the poor, the elderly, those with disabilities, and willing workers from job opportunities;
- Poisoned air that already threatens the health of nearly 150 million Americans;
- Mounting dependence on foreign oil that has become a threat to national security and a major factor in the nation's trade deficit;
- Sluggish rural economic growth due, in part, to inadequate transportation services and facilities;
- Burgeoning urban and suburban development that has overwhelmed our ability to provide public facilities and services; and,
- Failure of our existing infrastructure, resulting from 20 years of chronic under-investment.

These conditions exist, in part, because our existing national transportation policies and programs are increasingly ineffective in meeting current and emerging needs. Current programs promote separation in the planning and funding of different facilities and they are largely unresponsive to the broader consequences of transportation investment decisions. The inflexible, categorical nature of existing programs limits how we deploy available resources and decreases the cost-effectiveness and efficiency of our investments. We remain bound by a traditional preoccupation with accommodating *vehicles* and an inattention to accommodating *people*. Finally, existing programs have become ineffective due to the lack of adequate funds, generally, and insufficient support for public transportation, specifically.

Our success as a nation in accommodating future demand for travel and mobility will determine whether we can arrest the problems that confront us or whether they will further diminish our national welfare.

In the next 32 years, by conservative estimates, the nation will experience the same increase in total travel that we have experienced in the last 32 years. If we attempt to cope with future growth in travel demand as we have in the past, through overwhelming reliance on single-occupancy, personal vehicles, the crises noted above will accelerate, further undercutting economic growth and our competitiveness as a nation, and degrading the quality of life for millions.

To avoid this prospect we must begin immediately to seek wiser ways to meet tomorrow's mobility needs. If we are successful, our transportation decisions can be decisive in taming the forces that threaten to immobilize us.

"Greater use of mass transit will in turn increase the capacity of our existing roads."—*Rep. Roger Roy, Chairman, Transportation Committee, State House of Representatives, Dover, Delaware*

"... if the largest single source of air pollution in this country is vehicle emissions, does it make any sense to design a federal clean air policy with no effort to entice people out of their cars ... ?"
—*David R. Boldt, Editorial Page Editor, The Philadelphia Enquirer*

"In the United States alone, we could save 33 million gallons of gasoline each day and significantly reduce car air pollution if the average commuter passenger load were increased by one person."—*Andrew Kimbrell, Environmental Law Attorney, Foundation on Economic Trends, Policy Director, Greenhouse Crisis Foundation*

1993

NATIONAL POLICY DIRECTIONS

The initial goals of our past surface transportation programs have been met largely with the completion of the Interstate Highway System and the successful transition of our urban transit systems into mature public services. The problems we confront as a nation and the varying mix of circumstances that arise locally require that we adopt a new perspective and new transportation goals at the national level. New national policy must direct us to invest in mobility rather than in modes, and to use our transportation investments to better serve other critical national goals.

> The availability of the labor force is directly tied to the quality of our transportation systems. Economic development will grind to a halt and our urban areas will decay if we fail to connect workers with work. — *Gilbert Wertzel, Executive Director, Greater Philadelphia Economic Development Coalition*

> "The economic benefits [of transit] will be in less road construction and maintenance, less work time lost to commutes, less destruction from acid rain, and reduced health care costs." — *Carolyn [illegible], American Lung Association of California*

Enhanced Mobility

Enhanced mobility in the movement of people and goods is the fundamental goal to be served by a new generation of national transportation policies and programs.

One of the basic tenets of a new national policy aimed at enhancing mobility must be a commitment to reducing growth in vehicle-miles-traveled ("VMT") and meeting passenger travel demands without necessarily accepting continued, unrestrained growth in vehicle traffic.

The distinction between meeting the needs of passengers vs. accommodating ever-increasing numbers of vehicles is fundamental. We have a diminishing supply of roadway capacity and limited ability, resources, and will to expand our highway network aggressively. Added to this scenario is an increasingly harmful set of consequences associated with our dependence on single-occupany vehicles.

With mobility as our basic goal, national policies and programs should result in a wider array of transportation options tailored to specific markets and designed to dampen growth in vehicle-miles of travel, and increase availability and use of transit and other forms of high-occupancy, shared-ride services.

National policy must be directed to making substantial progress in these terms, in order to better serve our mobility goals.

Integrating Transportation and Other National Goals

Problems of congestion, air quality, energy dependence, declining competitiveness of business and industry, declining rural economic well-being, and isolation of increasing numbers of our people traditionally have been addressed by national policy as independent problems. In fact, they are closely related, and nowhere is this relationship stronger than through the linkage provided by our transportation policies and investments.

One of the foremost challenges we face is to provide for our growing transportation needs in closer coordination with efforts to achieve other major national goals. Transportation investment decisions and the products of our transportation planning must be viewed directly as tools to *increase* economic growth, *clean* our air, *conserve* our energy resources, as well as *improve* mobility. Transportation investments that waste energy, foul our air, dissipate the economic strength, and unravel the social fabric of our communities must be challenged and rejected.

Our success in crafting a new generation of national transportation policies and programs will depend on how skillfully and at what pace we embrace mobility as a goal, and link transportation and other national policies and actions.

WHAT PUBLIC TRANSIT CAN DELIVER

Congestion Relief	Every bus full of passengers at rush hour removes 40 cars from traffic; every full rail car removes 75-125 cars from traffic; every van full of passengers removes 13 from traffic.
Reduced Highway Cost	One high-occupancy vehicle lane carries the same amount of people as three regular highway lanes. Major highways can cost $100-120 million per mile; busways can be built for $4-12 million per mile; light rail for $10-20 million per mile and heavy rail for costs comparable or lower than major highways.
Energy Conservation	A savings of ten to 15 gallons of gasoline is realized every time 40 single-passenger-car drivers take a 10-mile trip to work on the bus. 30-40 million gallons of gasoline would be saved each day if average commuter-vehicle-occupancies were increased from 1.1 passengers per vehicle to 2.1 passengers per vehicle.
Air Quality	When one commuter leaves the car behind and uses transit to travel to and from work for one year, the health of millions of Americans can be improved through the removal of nine pounds of hydrocarbons, 63 pounds of carbon monoxide, five pounds of nitrogen oxides and one pound of particulates, annually.
Safety	The highway death toll—46,644 in 1988—can be reduced, along with 1.8 million annual auto-related injuries.
Economic Growth	Every $10 million in transit capital investment supports 770 jobs; every $10 million in transit operating investment supports 960 jobs. Every $10 million in transit capital investment produces $33 million in business revenues. Every $10 million in transit operating investment produces $30 million in business revenues.

1995

THE FUTURE MISSION AND ROLE OF PUBLIC TRANSPORTATION

The mission of public transportation in the years ahead must parallel closely new national goals and policy directions. Public transportation must serve to enhance mobility and, in the process contribute in a major way to the solution of problems that threaten our economy and quality of life.

In pursuing this mission, transit agencies and professionals will be faced with new and difficult challenges that will require often significant adaptations. The most important adaptations involve broadening the definition of public transit, diversifying services, and shouldering a clear responsibility to manage mobility.

> "Viewed from a state's perspective, it is unacceptable that the federal government should, on one hand, insist upon stringent clean air standards for urban and suburban areas while, on the other hand, reduce its commitment to mass transit."
> —*Robert A. Innocenzi, Acting Commissioner, New Jersey Department of Transportation*

> "Massive highway construction will not ease traffic congestion – but only spread sprawl and congestion to new areas, and increase time lost in congestion, fuel consumption, and smog."
> —*Dr. John Holtzclaw, Sierra Club*

Diversification of Services

To promote enhanced mobility through increased transit use, the conventional definition of transit must be broadened to include a wider range of services tailored to particular markets and drawing on the full range of available resources. High-occupancy, shared-ride services of all types must be incorporated into our concept of public transportation and encouraged, coordinated, and supported through a new federal program.

Managing Mobility: Transit as a Catalyst

Transit agencies and professionals also must act aggressively as catalysts in the community and play a broader role as managers of mobility. This responsibility requires actions beyond the direct operation and management of on-street services. Coordinating, advising, and promoting better management of the supply of and the demand for transportation services are all part of this larger responsibility, including active participation in economic development and land use decisions.

Expanding and diversifying public transit and formalizing the responsibility for managing mobility must be basic strategies for the industry and national policy in the years ahead.

Measuring Success: A Two-Tiered Approach

Improved quality of service, increased performance and greater efficiency remain essential in the provision of transit services, and in the operation of our entire transportation system. The success and value of public transit, however, must be measured in broader terms through a new, two-tiered approach. At the national level, the focus should be directly on how well our transportation investments support achievement of major national goals. At the local level, direct attention must be paid to how those investments serve the unique and varied circumstances, goals, and priorities of the local communities and region. New national policies and programs must emphasize a more strategic view of what must be accomplished both nationally and locally, and provide a framework for measuring progress that is consistent with these broader views.

TEN PRINCIPLES TO GUIDE NATIONAL

As an initial step in reformulating national transportation policy and recrafting federal transportation programs, consensus must be reached on basic principles. To pursue the policy directions highlighted on page 3, the following 10 principles should be used to guide reformulation of the nation's surface transportation programs.

1. **The federal surface transportation program should be restructured substantially in order to address more intelligently the mobility needs of the nation and ensure progress in meeting other national goals.**

   Rationale: Current highway and transit programs do not have the necessary responsiveness nor the flexibility to address current and emerging needs and problems; substantial restructuring makes sense only if done in combination with the addition of significantly increased federal resources.

2. **The concept of transit should be broadened to encompass and promote increased availability and use of transit and other high-occupancy, shared-ride services in order to better serve diverse travel needs, and to reduce growth in vehicle-miles of travel while accommodating increased passenger-miles of travel.**

   Rationale: Federal goals must be stated clearly. Doing so invites closer linkage between mobility goals and broader national goals, it broadens the transit constituency, promotes investment in new mobility strategies and a broader range of services, and promotes relaxation of existing program restrictions. Each step, in turn, increases the attention paid to serving people rather than vehicles.

3. **Existing regional decision-making authority over the use of federal transportation funds should be enhanced and strengthened.**

   Rationale: The local ability to assess needs, set priorities, and deploy resources in a regional context must be strengthened to better serve transportation and other major national and regional goals.

4. **Greater flexibility should be allowed in the use of federal funds and a stronger multi-modal approach to planning, funding, and decision-making must be established.**

   Rationale: Better integration of transportation decisions, planning, and funding is necessary to make appropriate trade-offs between multiple goals and objectives on the local and regional level, to make more cost effective use of resources, and to reduce federal micromanagement of resource decisions and administrative actions that restrict our ability to respond to emerging needs and problems.

TRANSPORTATION POLICY AND PROGRAMS

5. The reliability and predictability of federal funding must be improved through increased reliance on formula allocation, increased reliance on dedicated funding at the federal level, and expanded use of multi-year federal funding commitments.

Rationale: Recipients of federal funds must be able to project and depend on stable sources of support in order to design and carry out multi-year projects and programs; annual uncertainty and delays in establishing the level of federal support for transit and highways must be eliminated.

6. The costs associated with mandated federal actions and the substantial contribution of public transportation to the achievement of other major national goals provides justification for continuing federal support from all sources.

Rationale: The costs of measures required by federal law or policy are substantial and increasing; all sources of support for transit investment should be brought to bear in the years ahead; the linkage of mobility goals to other federal goals is made stronger by the commitment of both dedicated and general funds to support mandated actions.

7. Substantial additional federal funding should be provided for public transportation to fully carry out the goal of significantly increasing the provision and use of high-occupancy, shared-ride services.

Rationale: Federal transit funding has been reduced 50% in the last eight years, in real terms; all indications are that historic disinvestment in transportation, the current condition of facilities, and future travel demands require a doubling of the total investment; the increase should be borne by all funding partners.

8. An immediate gasoline tax/motor fuels tax increase should be enacted concurrent with reauthorization of the Surface Transportation Assistance Act, and federal motor fuel taxes should be made permanent to support needed transit and highway investment; full revenues from the tax should be committed annually.

Rationale: Needs are immediate; the traditional source of transportation funding should continue to be the basic resource for increased investment; aggressive claims will be made by other interests on gasoline tax increases; and, action on federal revenue increases, including the gasoline tax likely will take place sooner rather than later.

9. The federal tax code should be revised to promote private and non-federal investment in transit, and to eliminate the taxation of employer-transit subsidies and other disincentives to transit use.

Rationale: Other federal policies should strongly support direct investment in and use of public transportation, rather than frustrate achievement of the goals that federal funding is intended to meet.

10. Federal transportation policies and programs should require closer integration of transportation investments and land use decisions in order to provide an environment that is conducive to and encourages increased provision and use of high-occupancy, shared-ride services; other federal policies affecting transportation demand and investment should incorporate this same objective.

Rationale: Unless development practices and policies at the local level are consistent and supportive with basic federal transportation goals, the effectiveness of federal investment will be diminished greatly along with the opportunity to advance other national goals. Federal attention to how land uses and development are arrayed across the landscape is necessary to reinforce these linkages.

ELEMENTS OF A NEW NATIONAL SURFACE TRANSPORTATION PROGRAM

A new national surface-transportation program to support transit and highway investment in the decades ahead must deliver resources more effectively and directly to both our metropolitan and rural regions. Outlined at right and on the following three pages are specific program proposals that can achieve this objective.

"Dollars put into transit infrastructure create growth and wealth. On the other hand, failure to invest will lead to noncompetitiveness at home and in world markets." —*Roger Tauss, Transport Workers Union.*

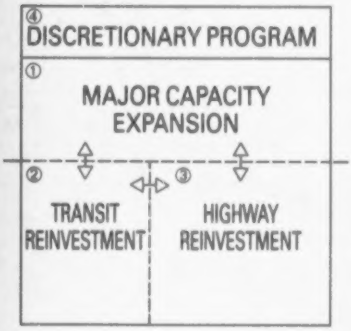
"Mobility and productivity are synonymous." —*John A. Miller, Chairman and CEO, Provident Mutual Life Insurance Company.*

The Metropolitan Program

A new Metropolitan Transportation Program at the federal level is proposed to support transit and highway investments in the nation's urbanized areas of greater than 50,000 population. The Metropolitan Program is composed of four elements:

1. A federal source of formula funds for major expansion of either transit or highway capacity, giving local officials the flexibility to decide what mix of projects and investments best suit the local need to expand capacity;
2. A formula program to support continuing reinvestment in existing public transit systems and services;
3. A formula program to support continuing reinvestment in our highway system; and
4. A federal discretionary program targeting federal investment to major capital projects, either transit or highways.

A specific metropolitan focus has become essential and the federal-local relationship in meeting emerging needs must be strengthened. At the metropolitan level the complex interrelated issues of central city and urban-suburban development and travel can be attacked comprehensively, and the full spectrum of regional economic, social, and environmental relationships can be brought most effectively into balance. Also, at the metropolitan level we have the greatest breadth of data and information with which to shape our strategies and gauge our success.



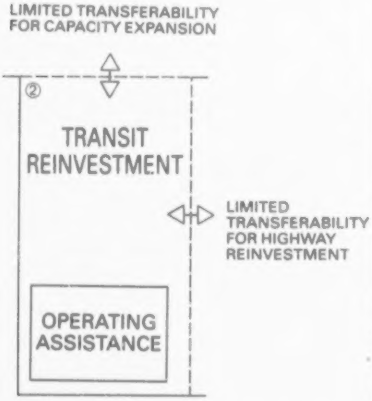
Targeting Modal Reinvestment—The federal program must provide resources specifically targeted for critical maintenance and reinvestment. In doing so, it is appropriate to continue to allocate funds directly by mode.

Providing separate transit and highway reinvestment funding recognizes that one of the most profound problems facing our nation's transportation system is the degree of deterioration that has been allowed to take place. Very simply, we are failing to adequately maintain our current systems and facilities. The backlog of investment requirements for maintenance and upkeep is both staggering and mounting.

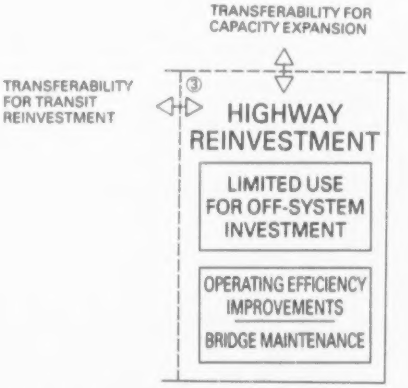
As importantly, both transit and highway reinvestment needs are easily measured, have high public visibility, and have far-reaching consequences if not aggressively addressed.

The proposed Metropolitan Program, therefore, includes separate program elements to provide federal funds specifically for both transit and highway reinvestment.

The major features of each of the four major components of the metropolitan program are described in the accompanying figures.


LIMITED TRANSFERABILITY FOR CAPACITY EXPANSION
②
TRANSIT REINVESTMENT
LIMITED TRANSFERABILITY FOR HIGHWAY REINVESTMENT
OPERATING ASSISTANCE

- DEFINE TRANSIT MAINTENANCE AND REINVESTMENT TO INCLUDE:
  - Capital investment needed to replace and rehabilitate current equipment and facilities
  - Capital investment necessary to retain current market share
  - Transit operating support
- DELIVER FEDERAL FUNDS FOR TRANSIT MAINTENANCE AND REINVESTMENT TO CURRENT "DESIGNATED RECIPIENTS"
- USE OF EXISTING ALLOCATION FORMULA (population and service factors)
- ALLOWANCE FOR LIMITED TRANSFERABILITY OF FUNDS FOR SELECTED HIGHWAY REINVESTMENT PROJECTS AND CAPACITY EXPANSION
- ELIMINATE CAPITAL/OPERATING DISTINCTION FOR SMALL- AND MEDIUM-SIZE URBANIZED AREAS


TRANSFERABILITY FOR CAPACITY EXPANSION
TRANSFERABILITY FOR TRANSIT REINVESTMENT
③
HIGHWAY REINVESTMENT
LIMITED USE FOR OFF-SYSTEM INVESTMENT
OPERATING EFFICIENCY IMPROVEMENTS
BRIDGE MAINTENANCE

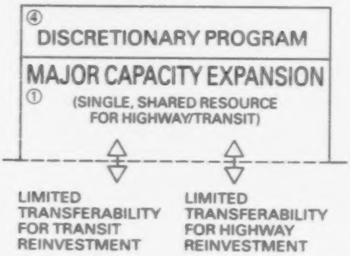
- DEFINE HIGHWAY MAINTENANCE AND REINVESTMENT TO INCLUDE:
  - All investments on a designated metropolitan system, including Interstate highways, short of added lanes
  - Investment to improve operating efficiency, and bridge maintenance on a metropolitan system
- DELIVER FEDERAL FUNDS FOR HIGHWAY MAINTENANCE AND REINVESTMENT TO STATES WITH DIRECT PASS-THROUGH TO METROPOLITAN AREAS
- USE EXISTING FEDERAL AID URBAN SYSTEM FORMULA
- METROPOLITAN RECIPIENT TO BE AGENCY RESPONSIBLE FOR CAPITAL PROGRAMMING
- ALLOW TRANSFERABILITY FOR:
  - Limited transit-related improvements
  - Limited priority highway improvements off the designated system

Expanding Capacity—In addition to funds provided specifically for reinvestment, the proposed Metropolitan Program includes a separate source of funds to directly support major capacity expansion on metropolitan systems. Unlike metropolitan funds provided for reinvestment, federal funds for capacity expansion would be available to the metropolitan area as a shared or pooled resource, for use without regard to mode.

The single, multi-modal source of funds for major capacity expansion is intended to encourage stronger integration of transit and highway planning, to promote more rational trade-offs between various types of investments, and to encourage more highly integrated multi-modal project design.

Long-deferred reinvestment needs cannot be pursued to the exclusion of efforts to expand both transit and highway capacity. Travel demands already are overwhelming our systems and will continue to increase in the years ahead. Additional passenger-carrying capacity will be essential to maintain a mobile America into the next century and beyond.

THE MAJOR CAPACITY EXPANSION AND DISCRETIONARY PROGRAMS


④
DISCRETIONARY PROGRAM
MAJOR CAPACITY EXPANSION
①
(SINGLE, SHARED RESOURCE FOR HIGHWAY/TRANSIT)
LIMITED TRANSFERABILITY FOR TRANSIT REINVESTMENT
LIMITED TRANSFERABILITY FOR HIGHWAY REINVESTMENT

- COMBINED FEDERAL RESOURCE: NO DISTINCTION REGARDING MODES; ALLOW TRANSIT/HIGHWAY MIX OF CAPACITY EXPANSION INVESTMENTS/PROJECTS TO BE DETERMINED LOCALLY
- DEFINE MAJOR CAPACITY EXPANSION TO INCLUDE:
  - Transit new starts and extensions (rail, transitway, HOV, etc.)
  - Highway extension and expansion (i.e. added lanes, new facilities on new rights-of-way)

- FORMULA DISTRIBUTION BASED ON:
  - Need: Travel demand growth, using annual data in an easily auditable form.
    e.g. motor vehicle fuel sales
    federal gasoline tax revenues
    attributable motor vehicle registrations, etc.
  - Transit Use: Proportion, amount or increase in travel accommodated on transit and other forms of high-occupancy, shared-ride services, using annual data in an easily auditable form.
    e.g. ridership
    farebox revenue/base fare
    increase in average vehicle occupancy, etc.
  - Weight the transit use factor more heavily as the preferred outcome to be rewarded/encouraged
- FEDERAL DISCRETIONARY RESOURCE
  - Devoted to projects that serve directly to improve or address issues of national significance, e.g. congestion, safety, air quality, economic development, infrastructure, energy, etc.

Federal Discretionary Investment—The proposed Metropolitan Program is designed to function predominantly through a formula allocation of federal funds drawn from motor fuel and related federal user fees. For a variety of reasons, however, it will remain important to maintain a discretionary program at the federal level.

Federal discretionary funds should be available to support either reinvestment or capacity expansion projects. Federal discretionary funds should be directed to projects that cannot be accomplished with formula funding alone and which provide demonstrable, positive impacts in the solution of problems declared to be of national significance. Obvious examples include projects that reduce vehicle-miles of travel, provide congestion relief, reduce mobile source emissions, relieve safety hazards, directly spur economic development, expand service to the elderly, those with disabilities, or disadvantaged persons, or attract added sources of non-federal funds.

Increased Flexibility—One of the principle features of the Metropolitan Program is the greatly increased flexibility that is provided in the use of federal transportation funds. The added flexibility occurs at several levels within the program.

By eliminating most current federal categorical programs, existing constraints on the use of federal funds are relaxed considerably, creating a more responsive and effective federal program. In addition, the provision of a single, multi-modal source of funds for major capacity expansion greatly increases the variations in how federal funds can be deployed within the metropolitan region.

Increased flexibility also is provided by allowing a degree of transferability between funds specifically dedicated for reinvestment and funds provided for capacity expansion. In addition, a significant degree of flexibility is provided in the use of funds within each of the major program elements.

Finally, a continued federal discretionary program provides the flexibility needed to carry out major capital projects beyond the scope of formula programs.

A Rural Public Transportation Program

The transportation needs of residents of small urban and rural areas across the country are as immediate and as compelling as those that confront the residents of our largest metropolitan areas.

While significant restructuring of the current federal transit program serving small urban and rural areas below 50,000 population may be necessary, there are some changes in federal policy that are evident today that will be essential in making the rural transit program more effective, and would allow for more efficient use of federal funds.

The most important change is an increase in the level of federal support. The federal small urban and rural transit assistance program could easily benefit from at least a doubling of federal investment.

In addition to increased direct federal investment, one of the most important actions that can be taken to increase the effectiveness of available funds is to streamline and coordinate the use of federal transportation funds with the massive amounts being spent through federal (and state and local) human services programs for transportation of specific client groups.

Updating national policy and programs directed at the mobility needs of small urban and rural residents must go hand-in-hand with enactment of a new metropolitan transportation program.

"We're running up against the physical limits. . . . The goal has got to be shifted away from moving vehicles to moving people." — *Ross Sandler, NYC Transportation Commissioner, New York Times, July 17, [illegible]*

"If we allow our [illegible] position to [illegible] the [illegible] of American cities, we cannot expect to have a healthy and internationally competitive economy." — *Bruce T. McDowell, [illegible]*

"The preservation of our existing network of commuter rail service is essential to our economic future. We must have a stable funding base for capital needs and operations." — *[illegible] Chairman, [illegible] Real Estate [illegible]*

"It is vital that the federal government continue its partnership with local, state and private [illegible] the [illegible] of our nation." — *[illegible] County, Transportation [illegible]*

TRANSPORTATION INVESTMENT REQUIREMENTS

The most important tool in addressing the goals and objectives of a new federal transportation program is the level of direct investment made in our systems and services—both transit and highways.

National policy must be focused on restoring the priority of transportation investment nationwide. To do so, the federal government must re-establish its leadership role in providing increased investment in future years.

Today there is strong concensus and justification for the proposition that overall transportation investment should be increased substantially and that the share of the investment from federal sources should not be reduced from levels reflected in current federal policy.

> Our federal tax system promotes the use of the single occupant vehicle as the best way to get to work. We are sending a mixed signal to commuters. The single occupant vehicle is no longer the mode of choice. — *Rep. Roger Roy, Chairman, Transportation Committee, State House of Representatives, Dover, Delaware*

> More, not less, public money needs to be spent at the federal, state, and local levels for the improvement, maintenance, and expansion of mass transit. . . . Mass transit is something positive government can do to protect air quality, conserve energy, promote desirable land use patterns, and provide access to jobs and convenient, safe travel. It's hard to think of a government spending program where so much bang can be gotten for the buck. — *Joanne R. Denworth, Executive Director, Pennsylvania Environmental Council, Inc.*

FEDERAL INVESTMENT: THE METROPOLITAN PROGRAM

Transit 2000 estimates confirm the need to increase combined federal investment in transit and highways by 100% or more. Today U.S. Department of Transportation spending includes $16.7 billion annually, $3.2 billion for transit and $13.5 billion for highways. The recommended Metropolitan Program calls for a total federal transportation investment of not less than $25 billion per year and as much as $34 billion, based on combined estimates of transit and highway needs.

Transit Investment Requirements

As part of the Metropolitan Program, federal investment for public transportation should be increased to at least $11 billion annually, including roughly $5.7 billion for essential reinvestment and $5.2 billion for capacity expansion.

This estimate has been derived from well-defined reinvestment requirements that reflect the mounting backlog of repair, replacement, and rehabilitation needs of our public transit systems.

Added to the essential reinvestment needs are the costs of expanding transit capacity to meet the goal of substantially increasing the use of transit and other forms of high-occupancy, shared-ride services. Capacity expansion needs have been estimated from analyses that generally target a level of transit use that is double or triple the current level. Increases of this order of magnitude or greater represent a reasonable goal for the nation and would, for instance, reflect a commitment to achieve per capita transit use at levels equal to those currently experienced in Canada.

The basic assumptions used in arriving at the transit investment requirements are conservative. They reflect:

- a commitment to reduce the current backlog of transit reinvestment requirements;
- a parallel commitment to reinvest adequately in our transit systems and facilities in the future to support a regular cycle of rehabilitation and replacement;
- pursuit of future per capita transit ridership goals that, at a minimum, double current levels;
- substantial increases in the proportion of transit trips on non-traditional, shared-ride types of services; and
- cost factors that reflect the current median costs of various service options.

A more ambitious set of ridership goals and cost estimates adjusted for future inflation would require a level of federal investment in transit signficiantly above the $11 billion annual figure.

Even without a national commitment to increased transit ridership, however, the federal transit program must be increased from $3.2 billion to a range of $6 billion to $8 billion per year. This *minimum* level of federal transit investment is necessary to meet the reinvestment requirements of existing systems and services, to continue major new projects that already are in the advanced stages of planning and development, and to fulfill new federal requirements and mandates in a host of areas. The $6 billion to $8 billion annual level of investment is necessary to restore recent declines in the purchasing power of federal assistance as a result of inflation and program reductions since 1981. In 1981, federal transit assistance totaled $4.6 billion. Simply adjusting that level of support to 1989 dollars would require a minimum federal program of $6.5 billion annually to meet a minimum combination of reinvestment and capacity expansion needs.

Highway Investment Requirements

Depending on the assumptions used, figures compiled by the American Association of State Highway and Transportation Officials (AASHTO) indicate a need for federal highway reinvestment that ranges from over $8 billion annually to nearly $13 billion. Federal support for highway capacity expansion could require an additional $10 billion per year if scenarios for 'fully improved service' on the nation's highways are to be pursued.

FEDERAL INVESTMENT: THE RURAL TRANSIT PROGRAM

As indicated earlier, the need for public transportation services in our nation's small urban and rural areas far exceeds current resources. Federal assistance directly to rural public transit should be at least double the $70 million to $80 million now provided annually. In addition, the substantial amounts of transportation spending from federal human services programs should be combined more effectively with direct investment by the federal Department of Transportation.

The scope of our transportation needs is enormous. The consequences for the nation of not acting aggressively to meet them is increasingly serious. As a result, the federal government must be called on once again to take the lead role, not only in setting goals and establishing new policy direction, but in providing the necessary financial resources to spur overall transportation investment.

NON-FEDERAL FINANCE

While increased direct federal transportation investment must be the centerpiece of a new national policy, overall transportation investment has been, and must remain, a partnership among federal, state, and local governments, the private sector, users, and others that benefit from enhanced mobility and high quality systems and services.

Direct federal investment in transit and highways must serve two purposes. First, it must directly underwrite major projects and improvements. As importantly, however, federal investment must serve as a catalyst to attract stable and reliable financial commitments from each of the other partners. The goal of bringing added non-federal resources to transportation should be a prominent part of new national policies and programs.

The most effective way to serve this goal is to incorporate into federal policy and programs a comprehensive series of fair and equitable incentives to attract greater state and local funding, increased financing from private sources, and increased financial participation by users and beneficiaries. As part of this effort, consideration should be given to new pricing mechanisms that recover more of the costs of services and facilities, particularly for automobile and highway use, and federal allocation mechanisms that reward increased investment without placing at a disadvantage communities that may be struggling economically.

In addition to the provision of more effective financing incentives, an effort must be made to remove the current disincentives to increased transportation investment that exist in federal policy. Transit agencies, for instance, must be allowed, encouraged, and rewarded for seeking increased revenues from non-traditional sources, including new types of services, real estate and development activities, etc.

Our future transportation needs—both transit and highways—require a comprehensive financial strategy guided and underwritten by the federal government.

ACTIONS AND POLICIES TO SUPPORT NATIONAL GOALS AND INCREASED TRANSPORTATION INVESTMENT

It is increasingly important to ensure that our transportation investments are supported strongly by other public policies. Today unfortunately, a number of public policies, including federal tax provisions, national energy policy, and local land use and development controls severely undermine the effectiveness of our transportation investments. Those policies should be eliminated and incentives to increase the effectiveness of our transportation investments should be adopted.

> "Industry concurs with the finding that calls for an increase in direct investment in transportation from all sources." *—Richard B. Griffin Jr., director of government relations, General Signal Corporation*

> "Rather than highway funding sanctions, (Clean Air Act) non-attainment areas should be eligible for and granted funding to be utilized for systems that would reduce vehicle miles traveled, namely mass transit." *—Sara R. Nichols, Clean Air Council of the Delaware Valley, Philadelphia*

Federal Tax Provisions

Current federal tax provisions limit overall investment in and the effectiveness of transportation facilities, particularly public transportation services. A host of federal tax provisions discourage private investment in transportation facilities, greatly restrict the financing powers and options available to state and local governments, and raise the cost of state and local borrowing for infrastructure investment.

Current tax provisions governing state and local bonding ceilings, private participation limitations, arbitrage restrictions, sale/leaseback transactions, etc. should be reviewed carefully and made consistent with new national transportation goals and policies.

In addition, fringe benefit provisions of the federal tax code provide a significant economic incentive to automobile users and a disincentive to increased transit use. Current tax law allows employer-subsidized free parking to go totally untaxed while those who receive employer-subsidized transit passes are taxed fully, once the value of monthly employer support exceeds $15 dollars. This imbalance must be remedied.

As part of the effort to rewrite federal transportation programs and policies, federal tax law must be rewritten to support rather than undermine greater investment and use of public transportation.

Land Use and Development Coordination

Land development patterns dictate the nature of our travel demands. To enhance mobility and freedom of movement, greater attention, therefore, must be paid to how land uses and development are arrayed across the landscape. It is imperative that we aggressively promote and provide incentives for development that can be served more easily and effectively by public transportation. Concentrating development, more mixed-use development, supportive parking requirements, policies, and pricing, and attention to a host of critical site and building design features are all required.

Better coordination of transportation and private development through local planning and development controls presents enormous opportunities to manage travel demand, reduce public investment requirements, share costs, and achieve greater use and efficiency from all our transportation facilities and services.

Across the country there are a growing number of examples of how this is being done. New federal transportation programs should promote these efforts and ensure that both transit and highway investments are premised on broad-based strategic plans for the region and on the existence and implementation of effective land use plans and development controls.

National Energy Policy

Among the most significant factors affecting our choice of transportation options is the cost of various modes of travel, both to the rider and to the community as a whole. Today, as an expression of unstated national policy, we price gasoline at levels far below those that exist in other countries around the world. We in essence subsidize and, therefore, directly encourage low-occupancy automobile use.

At the same time that we are providing an economic incentive for increased low-occupany automobile use, we fail to recover the full cost of automobile use or account fully for the consequences of reliance on personal vehicle use. We have held the price of energy artificially low and have grossly underestimated the costs that must be borne.

National transportation and energy policy must be closely coordinated and brought into synch with respect to these two crucial points before the marketplace will promote the type of activity and behavior that is required to achieve our mobility goals as well as other major national goals linked to transportation.

Human Resources, Technology and Research and Development

Human resource issues, technological change, and our approach to basic research and development all will have substantial impacts on transportation demands, travel behavior, and the success of strategies we select to meet future transportation needs.

Human Resources.—Public transit will continue to be dominated by its human resource and human service character. Two dimensions are of critical concern with respect to national policy: the way in which demographics will influence travel demand, and how transit's work force can be shaped to best meet those demands.

Socio-economic and demographic trends indicate a serious, across-the-board labor force shortage in future years. The problem is compounded by the increasing separation of willing workers from the job opportunities. Labor force mobility will become an increasingly important issue throughout the entire country under these conditions. As a consequence, greater attention must be paid to: land use and transportation strategies that bring jobs and housing locations into better balance; and make expanded transportation options available to the work force.

Because of the labor-intensive nature of public transportation, the quality of transit services is dependent directly on the skills that are brought to bear by both labor and management, the price paid for those skills in a highly competitive environment, and the degree to which those skills are used to their greatest potential.

A variety of new recruitment, education, and retraining strategies as well as benefit and compensation programs may need to be tailored to an increasingly heterogeneous work force that will be more multi-lingual and will be seeking a new balance between household, family, and job-related responsibilities.

National transportation policy and the transit industry must value and serve this increasing diversity to ensure the successful pursuit of the transit mission.

Technology.—New technologies also will affect public transportation in two ways: by influencing changes in travel and communications patterns; and, by effecting the nature of transit equipment and the skills necessary to put it to its most effective and efficient use.

A central feature of national concern is the strength of the domestic transit supply industry. The responsibility of transit managers is to get greatest value and reliability for their investment. This basic requirement must be balanced against both the need to maintain strong, competitive domestic suppliers, and the need to reduce the nation's mounting trade deficit.

Transportation policy must be integrated with national and international economic policy, and the federal government should take a more active role in joint efforts to support and promote the domestic transit supply industry here and abroad.

Research and Development.—Common to both the human resources and technology issues is the chronic underinvestment in research and development in the transportation field, generally, and in public transportation specifically. One of the most effective means to reinforce a strong market for goods and services is to ensure the existence of a strategically-targeted research and development program.

Today, there is limited incentive, however, for domestic suppliers or for potential workers to commit themselves to participate in the growth and evolution of the nation's transit industry. National policy must, through a greatly expanded emphasis on research and development, help provide the incentives and bolster the market for innovative services, management, and technologies.

SUMMARY

We have reached a point as a nation where the host of policies that guide and impact future transportation investment must be reformulated. The proposals made by the Transit 2000 Task Force represent a fundamentally new and broad-based approach to ensure that future transportation investment more effectively serves national and local goals. Substantial progress in crafting a new set of policies and programs consistent with the directions proposed by the Task Force will help ensure the vitality of our economy and the quality of life in our communities in the decades ahead.

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TESTIMONY

Surface Transportation Program Reauthorization

September 17, 1990

Presented by:

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Mr. Chairman, members of the Committee, my name is Dewey Pearman, I am Vice President for Governmental and Legislative Affairs for the Northwest Indiana Forum. The Forum is a regional economic development organization working in Lake, Porter and LaPorte Counties, Indiana. We are a coalition of the business, government and labor leadership of Northwest Indiana. On behalf of our officers, directors and members, I would like to thank you for the opportunity to present our views on the reauthorization of the Surface Transportation Act. The mission of the Northwest Indiana Forum is to turn the assets of Northwest Indiana into a competitive advantage that will encourage stable, balanced and steady economic growth. Our vision is to create, through this growth, a community with a strong image nationally, in the State Capitol, and in the eyes of our own people. Working together with local businesses, the Forum strives to make this competitive advantage known to those with the potential to expand and relocate within Northwest Indiana. Pursuit of this mission requires us to recognize the important relationship between sound public policy, particularly with respect to the adequate financing of public infrastructure and the ability of communities to stimulate private capital investment and job creation. Our staff of economic development professionals work daily with local companies that are considering making major capital investments in plant and equipment in Northwest Indiana. As we work with these companies to help them make the decision to invest in Northwest Indiana we very often hear expressions of concern for the ability of the local transportation infrastructure to support the needs of business. We believe there to be a strong and direct relationship between the quality of roads and highways, the quantity and quality of public transportation systems, and ability of communities to retain and stimulate private capital investment in plant and equipment. We believe this is a relationship the business and governmental leadership of Northwest Indiana fully understands. Several months ago we undertook a survey of our members to help us determine our public affairs priorities. The results of that survey clearly demonstrate that our membership, is acutely concerned with the issues being considered by this committee today. Based on the results of this study, we have identified the adequate financing of transportation infrastructure, including roads and highways and mass transit to be our top public affairs priority. As such, we have joined with the Northwestern Indiana Regional Planning Commission in an effort to identify a major new funding source for these types of projects. That effort, "Operation Bootstrap", is being directed by a public/private, non partisan Task Force which is in the process of developing a proposal for addressing local infrastructure needs. We believe that Task Force will, in the next several weeks, finalize a series of recommendations which will include the imposition of a 1%, three county sales tax which would be used to finance the infrastructure needs of cities, towns and counties in the region and to finance mass transit operations. Our support for such a tax increase is demonstrative of our concern for additional financing in these areas and a recognition of limited state and federal resources. We believe such local initiatives are becoming critically important to the economic future of our community. However, our intent in encouraging greater local effort is not to replace state and federal funding, but rather to make Northwest Indiana more competitive in attracting funding from other sources. We, locally, are willing to do our part to enhance Northwest Indiana's ability to attract capital investment but feel it is critically important to have the federal government as a full partner in this effort. We fully appreciate the pressure being placed on the federal government and the need for significant budget reductions. But, our experience in working with companies making capital investment decisions tells us that public investment in roads, highways and public transit systems will stimulate private investment and job creation. Again, thank you for the opportunity to present our comments on this proposal.

WRITTEN TESTIMONY OF

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BEFORE THE
INFRASTRUCTURE FIELD HEARING
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

MUNSTER TOWN HALL
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SEPTEMBER 17, 1990

Mr. Chairman and Members of the Committee:

I thank you for traveling here today to listen to what we, in the First District of Indiana and in this part of the Midwest, feel is important relative to the reauthorization of the transportation program. In my opinion, you could not have traveled to a better place to discuss transportation issues for nearly every conceivable mode of transport is present in Northwest Indiana and so are many examples of successes, failures and opportunities in the movement of people and goods. We have a busy international port, Burns International Harbor; the Nation's only electric interurban commuter rail system, the South Shore Railroad; the State's busiest highway, the Borman Expressway; and a candidate site for Chicagoland's 3rd major airport now under study, the Gary Regional Airport.

This year, the States of Illinois and Indiana, together with the Metropolitan Planning Organizations (MPO's) in Northeastern Illinois and Northwestern Indiana are carrying out a significant planning activity at the specific request of the US Congress. The I-80/94 Congestion Relief Study is searching for solutions to the severe traffic congestion that occurs on this vital highway.

Several proposals aimed at promoting smoother traffic flow have been put on the table for discussion and analysis. Among the alternatives are the construction of express lanes, and new highways, and changes in the toll policies on I-90 (the Chicago Skyway and Indiana Toll Road) and I-80/94 (the Borman Expressway). While some of these solutions may end up being very costly, the do-nothing alternative will have its own costs, in the form of non-movement of commerce, wasted fuel, and air pollution that would continue to keep this urban area in non-compliance with the National Ambient Air Quality Standards (NAAQS).

The I-80/94 Congestion Relief Study is one example of the Comprehensive, Cooperative, Continuing (3-C) planning process, that the Northwestern Indiana Regional Planning Commission (NIRPC) conducts, as prescribed by the current surface transportation regulations. The Comprehensive planning process balances the social, environmental, and economic forces that batter the transportation system. The Cooperative nature of the process involves the federal, state and local governmental entities in every aspect of the development and maintenance of the system. The Continuing nature keeps the process in tune with the changing character of the transportation needs and the development of the region. The I-80/94 Congestion Relief Study is generating new technical planning capabilities in Northwest Indiana. The 3-C process must be retained and strengthened.

MPO's have an important role in the decision-making process with respect to the allocation of Federal-Aid Urban System Funds, and mass transit Section 9 Funds, and in the programming of all federal funds for the region. This role should be retained with respect to the proposed flexible system, and these decisions must continue to be based on a comprehensive regional intermodal transportation plan.

We understand the value of, and need for a joint, cooperative process involving local governments through the MPO's for the planning, programming, and designation process for the proposed **Highway System of National Significance (HSNS).** In the event a categorical program, such as the HSNS is accepted by Congress, any designation process, as well as program and project prioritization should be accomplished through a strengthened 3-C process with joint determination by local governments acting through their MPO's and the state.

The proposal for combined funding for highways and transit would place a greater reliance on the forum provided by the MPO's. MPO decisions must be based on a technically sound planning process. The tools for analysis are not without cost. The acquisition of accurate and adequate data for quantifying the distribution of transportation demand is so expensive that it is rarely done in a complete manner. MPO's are acquiring computer equipment and software, but the training and retention of competent and qualified staff are beyond the means of most MPO's. Even the logistics of coordination can be a severe burden on the MPO's. Clearly, the MPO's need the financial resources to maintain and enhance the technical process. Financial pressures from all levels are squeezing the MPO's to a less-than-bare-bones operation.

There has been serious discussion of a restructuring of the funding delivery mechanism for UMTA planning funds, similar to the FHWA's planning program. Currently, the UMTA Section 8 planning program is a direct federal - local grant program. Under the FHWA model, the program would be administered through the states. Northwestern Indiana would be among those experiencing the elimination of direct grants which would be replaced with a state pass-through system. We feel that interjecting the states in the funding delivery would unnecessarily impose additional strings as well as administrative costs on the metropolitan transit planning process.

We understand that a new approach being proposed for transit planning and research would yield an increase in funding but only a minor increase in Metropolitan Planning Organization funding. A restructuring of future planning may also broaden the activities eligible for funding. We agree that an increase in responsibility would serve our localities and region well, but are concerned that the net result of this restructuring would require MPO's to do much more with only a slight increase in funding.

Congress is effective at passing laws but not at following-through with revenue capability to adequately respond to those initiatives. Examples are the Clean Air Act and the Americans with Disabilities Act. Whatever good these laws do for the environment and for humanity, they are very costly to implement. The funds for implementation are not provided. Further, local government in Indiana is constrained in its ability to raise revenue to respond, and the property tax system is stretched beyond its capacity to deal with infrastructure financing. Our General Assembly has yet to pick up the ball tossed by Washington to the states.

Faced with the uncertainty of adequate levels of funding from the federal and state levels, we in Northwestern Indiana have taken the initiative, and begun to form a potential mechanism to fill in some of the gap. NIRPC and the Northwest Indiana Forum, which represent the public and private sectors, have joined forces and created **"Operation Bootstrap"**. This effort has identified the infrastructure needs of the region that are currently faced with inadequate funding, and has identified potential revenues to be generated by local funding strategies. The revenue estimates would not be sufficient to replace the needed federal and state investment, but would supplement the federal and state programs by providing the required matching funds, and funding for projects that are currently not eligible for federal or state funding. In order for this effort to work, state restrictions on the ability of local and regional units of government to raise the needed revenues must be removed.

We are uncertain of the impact of the designation of a Highway System of National Significance and whether the emphasis of a state or a region should be on it or on the flexible system, which is being considered, as a category for most local projects. We do know that the HSNS would have higher design standards, therefore, higher costs for land acquisition and construction. Stricter standards would produce a system of more suitable roads but at a higher price.

The Highway System of National Significance may be a 75%-25% match, where the more local, flexible system could be a 60%-40% match. This would mean a lesser ability to access federal money due to a higher local share, and would cause a significant negative impact on local units of government.

Northwestern Indiana is faced with the same problems that plague most urban areas. Rapid development in the outlying areas is using up most of the available land needed immediately for critical transportation corridor development. Immediate acquisition of transportation corridor rights-of-way is essential when highways and commuter rail systems must be built to reduce congestion on highways.

We must find more effective ways to utilize existing transportation facilities and to better manage transportation demand. It is through the metropolitan transportation planning process that scarce resources available to transportation are directed to maximize efficiency and capacity of the system. It is through the metropolitan planning process that competing economic development, environmental and social priorities are reconciled and balanced with mobility needs. The investment required to adequately fund the process is minimal, but the payoff is substantial. In fact, in his "National Transportation Policy", DOT Secretary Samuel Skinner states:

> "Regional planning is essential to ensure integrated transportation systems, as well as to organize effective programs for attaining metropolitan area air quality goals and other region-wide objectives in transportation."

Secretary Skinner further indicates that:

> "It is Federal transportation policy to increase emphasis on integrated state, local, and regional transportation planning and investment decisions", and to "strengthen the role of MPO's or equivalent planning bodies in programming and prioritizing transportation projects."

We applaud the administration's recognition of the current and potential role of MPO's in assuring effective transportation programs for metropolitan areas, and we hope you share this view as well.

We believe that there is a critical role which transportation planning plays in developing and implementing truly effective transportation programs in our nation's urbanized areas, continued investment in transportation planning is more vital than ever to federal, state, regional, and local interests.

In our area, as in all metropolitan areas, transportation systems are vital components of our regional economies. The federal government, along with the states and localities must continue to ensure the long-term vitality of our regional communities.

We stand ready to assist you further in the coming months as you continue your deliberations on these important matters.

Thank you!

Testimony

of

David S. Williams

Commissioner

of the

Department of Public Works

on behalf of

The City of Chicago

before the

U.S. House Public Works and Transportation Committee
Hon. Glen Anderson, Chairman

Field Hearing
on
September 17, 1990
in
Munster, Indiana
concerning
Elements to be Authorized
in
The 1992 Surface Transportation Act

Mr. Chairman and members of the Committee:

I am David S. Williams, Commissioner of the Department of Public Works of the City of Chicago.

The City of Chicago is responsible for the Chicago Skyway, a designated segment of Interstate 90. The Skyway is a 7.5 mile toll bridge facility on the southeast side of Chicago connecting the Dan Ryan Expressway (Interstate 94) with the Indiana Toll Road which is Interstate 90 in Indiana. The Skyway currently carries approximately 20,000 vehicles per day, which is less than half of its capacity. The nearly parallel Calumet Expressway, which is a toll-free facility, carries about 80,000 vehicles per day and is severely congested on a regular basis.

The Skyway was constructed with revenue bonds in 1959 at a cost of approximately $101 million dollars. Its current traffic volumes generate approximately $15.8 million a year in toll revenues. The $15.8 million is allocated as follows:

$3.6 million	for interest on debt of $101 million
$5.5 million	for capital rehabilitation
$5.5 million	for operating costs
$1.2 million	for insurance
$15.8 million	total

The toll revenues have never been, nor are they ever projected to be, sufficient to pay the principal. The Skyway tolls are $1.75 per car and average $5.00 per truck. Up until this year, tolls have been regularly raised by court order to assure payment of interest to the bondholders, but the court rejected the bondholders' latest request to raise the tolls to $2.00 per car because any further increase would be counter-productive, that is, fewer vehicles would use the Skyway and total revenues would decline.

The $101 million in principal owed to the bondholders remains outstanding and will remain outstanding until a new funding mechanism is found.

In addition to the principal, the Skyway needs $75 to $100 million in major capital rehabilitation work. Although the Skyway is a designated segment of Interstate 90, it is not eligible for Interstate 4R funding because the State of Illinois and the City of Chicago are required by federal law to enter into an I-4R funding agreement before these funds could be made available for the Skyway.

While the City is faced with the need to maintain and improve the Skyway and to pay off its bonds, the State of Indiana is facing severe congestion on the Borman Expressway which parallels the lightly used Indiana Toll Road. The City is a participant, along with the Illinois Department of Transportation and Indiana, in a federally-financed study of how best to relieve the congestion on the Borman Expressway. One of the solutions being studied is to pursue a Skyway toll reduction or elimination strategy to divert traffic from the Borman to the Skyway/Indiana-Toll Road route. This approach could be the cheapest, fastest way of alleviating the existing traffic congestion on the Borman. Eliminating Skyway tolls would require retiring the bonds. Thus in one action, the Skyway's financial problems and Northern Indiana's congestion problem could be relieved.

The Interstate congestion/underutilization problem in northwest Indiana and the adjacent Chicago urbanized area in Illinois is probably unique in that the narrow corridor on the southern shore of Lake Michigan has one Interstate that is toll-free and a somewhat parallel Interstate, the Skyway/Indiana Toll Road. While the motoring traveller can save about 20 miles or 20 minutes of travel time by taking the Interstate 90 alternative, it will cost him just over $2.00 in tolls ($1.75 for the Skyway part and $.90 for the Indiana Toll Road part of Interstate 90). It is obvious that underutilization of Interstate 90, because of the tolls, is contributing to the congestion on the toll-free Interstate 80/94 Borman Expressway. It is unusual to have toll Interstate facilities and toll-free Interstate facilities in the same corridor competing with each other.

We would greatly appreciate your attention to this Interstate congestion/underutilization/funding problem in the 1992 re-authorization act. It is hoped that the Borman Study will result in more specific recommendations which address not only the Borman's (I-80/I-94) congestion but also the related problem of funding the under-utilized Skyway (Interstate 90).

SUBMISSIONS FOR THE RECORD

TOWN OF HIGHLAND

Highland Municipal Building • 3333 Ridge Road
Highland, Indiana 46322
219-838-1080 • Fax 219-972-5097

TOWN COUNCIL

DOMINIC NOCE
President
RAY BOROWIEC
Vice-President
DENNIS TOBIN
MARK HERAK
JOHN OAKLEY

RONALD BRADLEY
Public Works Director
RHETT TAUBER
Attorney

CLERK - TREASURER
PAUL L. DOHERTY

September 17, 1990

Congressman Peter J. Visclosky
215 W. 35th Avenue
Gary, Indiana 46401

Dear Congressman Visclosky,

On behalf of the Town of Highland, the following comments are offered for consideration in the preparation of the upcoming Transportation Bill:

1. The Town of Highland is not supportive of the concept of the consolidation of the various types of funding sources if this means the increase in local matching share of these projects.

2. Safety projects funded 90% with Federal Aid H.E.S. Funds have been proven to be extremely cost beneficial, saving many, many lives and untold suffering from both emotional and financial losses.

3. Traffic signal projects funded 100% with Federal Aid "G" Funds have been used to upgrade inefficient signal systems, providing for decreases in congestion and the use of fuel. Given the current and apparently ongoing problems in the Middle East, we should continue emphasizing projects which will lesson our oil dependency.

4. It is our understanding that consideration is being given to changing the matching ratio on almost all local agency projects on the Federal Aid Urban System from 75-25 to 60-40. It is stated that this action will result in the increase of projects built with Federal Aid Funds because the same amount of funds will be able to be used on more projects. We strongly oppose changing the matching ration to 60-40. It is not a mere increase of 15% to the local agency, but rather a 60% increase. Our problem is not with having enough Federal Aid money. In fact, we do not have enough local money to match the available Federal funds.

September 17, 1990

Any increase in our matching portion will result in a direct decrease in the amount of Federal funds we will be able to use.

5. We would also request the continuation of the Minimum Allocation Funding. This funding source with its flexible requirements has been a significant source of funding for street improvements.

Thank you for the opportunity to provide our input on this matter.

Very truly yours,

Ronald G. Bradley
Public Works Director

RGB/jv

THOMAS M. McDERMOTT, Mayor

1884

CITY OF HAMMOND, INDIANA 46320 | 5925 CALUMET AVENUE | PHONE (219) 853-6336

STANLEY J. DOSTATNI, City Engineer

September 17, 1990

House Public Works and Transportation Committee
Congress of the United States
House of Representatives
Washington, D.C. 20515

Gentlemen:

On behalf of the City of Hammond, the following comments are offered for consideration in the preparation of the upcoming Transportation Bill:

1. Our City is not supportive of the concept of the consolidation of the various types of funding sources if this means the increase in local matching share of these projects.

2. Safety projects funded 90% with Federal Aid H.E.S. Funds have been proven to be extremely cost beneficial, saving many, many lives and untold suffering from both emotional and financial losses.

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CITY OF HAMMOND, INDIANA
1884

ENGINEERING DEPARTMENT

House Public Works and Transportation Committee
September 17, 1990
Page (2) Two

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5. We would also request the continuation of the Minimum Allocation Funding. This funding source with its flexible requirements has been a significant source of funding for street improvements.

Thank you for the opportunity to provide our input on this matter.

Yours truly,

Stanley J. Dostatni

Stanley J. Dostatni,
City Engineer

SJD:url

THOMAS M. MCDERMOTT, MAYOR
SANDRA DEMPSEY, ADMINISTRATIVE ASSISTANT

CITY OF HAMMOND, INDIANA 46320 | 5925 CALUMET AVENUE | PHONE (219) 853-6301

September 17, 1990

House Public Works and Transportation Committee
Congress of the United States
House of Representatives
Washington, D.C. 20515

Gentlemen:

On behalf of the City of Hammond, the following comments are offered for consideration in the preparation of the upcoming Transportation Bill:

1. Our City is not supportive of the concept of the consolidation of the various types of funding sources if this means the increase in local matching share of these projects.

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Thank you for the opportunity to provide our input on this matter.

Yours truly,

Thomas M. McDermott,
Mayor, City of Hammond

TMMc:url

CITY OF EAST CHICAGO
Engineering Department

City Hall
4525 Indianapolis Blvd
East Chicago, Indiana 46312
(219) 391-8355

Robert A. Pastrick
Mayor

September 17, 1990

Mr. Peter J. Visclosky
First District, Indiana
Congress of the United States
House of Representatives
Washington, D.C.20515

Dear Mr. Visclosky:

On behalf of the City of East Chicago, the following comments are offered for consideration in the preparation of the upcoming Transportation Bill:

1. Our City is not supportive of the concept of the consolidation of the various types of funding sources if this means the increase in local matching share of these projects.

2. Safety projects funded 90% with Federal Aid H.E.S. Funds have been proven to be extremely cost beneficial, saving many, many lives and untold suffering from both emotional and financial losses.

3. Traffic signal projects funded 100% with Federal Aid "G" Funds have been used to upgrade inefficient signal systems, providing for decreases in congestion and the use of fuel. Given the current and apparently ongoing problems in the Middle East, we should continue emphasizing projects which will lessen our oil dependency.

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5. We would also request the continuation of the Minimum Allocation Funding. This funding source with its flexible requirements has been a significant source of funding for street improvements.

Thank you for the opportunity to provide our input on this matter.

Very truly yours,

Robert A. Pastrick
Mayor
City of East Chicago

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TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

MONDAY, OCTOBER 29, 1990

House of Representatives,
Committee on Public Works and Transportation,
Matteson, IL.

The committee met, pursuant to call, at 9 a.m., in the Oak Room, Matteson Holiday Inn, 500 Holiday Inn Plaza, Matteson, IL, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson and Sangmeister.

The Chairman. Good morning. The Committee on Public Works and Transportation Hearing on The Future of Our Nation's Infrastructure Needs will come to order.

We will be receiving testimony from an impressive group of witnesses, and I know this is going to be a very productive hearing. I want to thank all of you for taking time from your busy schedules to share with us your concerns, knowledge and perspectives about this important subject.

And I regret that we had to cancel the earlier October 6 hearing because of an emergency session of the Congress. So it is a great pleasure to at last be here in Illinois and to talk with the people of the Chicago area. And I want to thank my Committee colleagues, George Sangmeister and Gus Savage, who may be here later, and Bill Lipinski, who may be here later, for making this hearing possible. Special thanks should go to George Sangmeister and the people of the Fourth District of Illinois for welcoming us here today.

And I must compliment the citizens of this region for sending three such hard-working Members to Congress. And, I'll skip to George since two of them are not here. But I will say George Sangmeister has over 25 years of public service, having begun his career in Will County, where he served as Magistrate of the circuit court and later as State's Attorney. And he was a member of the Illinois State House of Representatives and a State Senator, where he served as Chairman of the Senate Judiciary Committee and the Senate Executive Committee. These experiences have served him well in the Congress. And as an active freshman Member, George has brought numerous projects and field hearings to his district and has been instrumental in passing significant legislation in the areas of crime and education. George is an effective Member of our Committee and serves on both the Surface Transportation and the Water Resources Subcommittees, where his participation on these important issues is most welcome.

This year, our Committee has been examining many aspects of the infrastructure issue seeking a better understanding about our Nation's public works crisis. It is important that we know what infrastructure needs and problems are being experienced at the local levels. And so, we have been holding a series of hearings at sites around the Nation to talk with you, the people most directly involved.

And let me tell you why we view infrastructure as a national priority. The answer is our economy.

Infrastructure is not just potholes; it is productivity.

Infrastructure is not only concrete; it is also competitiveness.

And recent economic research shows a link between the level of public investment in the Nation's infrastructure and productivity and profitability in the private sector. The United States productivity growth rate over the last 20-plus years has fallen dramatically at the same time that annual growth rate of spending for infrastructure, by all levels of government, has fallen.

Infrastructure may not be an exciting subject, but it is an important one. Public works are the cornerstone of our cities and rural communities, and they touch the lives of every living man, woman and child.

The evidence reflects that our under-investment in public works spending has caught up with us, and we are seeing wide ranging and serious problems.

Sixty percent of our highways and 40 percent of our Nation's bridges are in need of work.

Urban traffic congestion has increased over 50 percent in the last ten years. In our Nation's largest urban areas, 2 billion hours of time are lost annually. If you are delayed 20 minutes each day in rush hour, by the end of a 45-year career, you will have wasted two working years.

By the year 2000, traffic delays caused by inadequate roads will cost us $50 billion in lost wages and wasted gasoline.

No new airport has been built in this country since 1974.

Many of our urban water systems are over 100 years old and lose as much water as they move.

According to the Rebuild America Coalition, in Illinois, five percent of all paved rural highway miles and five percent of urban highways and streets are rated deficient, as well as 20 percent of the state's highway bridges on the federal-aid system and 33 percent of the bridges on the state and local roads.

And it is not just highways and bridges, and it is not just Illinois. It is a national problem of alarming dimensions. And it is time that we do something about it.

As a start, on September 28, the House passed by a voice vote House Concurrent Resolution Number 362, which I introduced and which was cosponsored by 70 of my colleagues. It expresses the sense of the Congress concerning the need for a national policy to rebuild the infrastructure of the United States.

Now, however, we are faced with a budget that increases motor fuel taxes, among other things, as a means of coping with the budget deficit, and unfortunately, limits what the Committee can do on public works policy in general and with the highway and aviation trust funds in particular. Now, many of us on the Committee are concerned at the broad economic impact of the budget agreement and will continue our efforts to free up highway and aviation trust fund monies for projects that can promote economic growth and not just sit idle as part of a numbers game being played with budget figures.

I assure you, this does not reflect a cavalier attitude about the budget deficit. Rather, it expresses our concern about next year's highway reauthorization legislation and a clear recognition that the condition of our infrastructure must be a high priority, regardless of the deficit. The longer we delay facing up to the challenge to rebuild America, the more harm we do to our economy in the long run and the more costly the job will be.

In the meantime, we are continuing our inquiry and we look to you to help us gain further insight into our infrastructure needs. And the question today is, what is the condition of the infrastructure in Illinois, particularly the Chicago metropolitan area. Are your roads, bridges, public buildings, sewers, wastewater treatment plants, water supply facilities and other basic services adequate to meet current and anticipated needs of the area? And if not, what can be done and by whom?

We look forward to today's hearing to answer these and other questions.

And now, I will recognize Mr. Sangmeister for any remarks that he may wish to make.

Mr. SANGMEISTER. Well briefly, I just wanted to thank Chairman Anderson for holding this regional field hearing today in Matteson. I would like to thank all of the witnesses for taking time out of their busy schedules to testify. However, I think it will be much to your advantage to be here today. I am pleased to have many local mayors and village administrators from my Congressional District present, and I am looking forward as well to hear from your testimony.

Infrastructure issues may not always be the most glamorous items on the agenda, but I cannot think of any more pressing concerns that are facing the U.S. Congress, as our Chairman has just indicated. There are many shocking statistics about the state of our nation's infrastructure. In Illinois alone, 28 percent of our bridges are either structurally deficient or functionally obsolete. It is easy to attach substandard labels to these structures, but what this means in real terms is perhaps more crucial.

Shortly, we are going to hear from Linda Lindquist, Village Administrator of Romeoville, Illinois. And Mr. Chairman, to the people of Romeoville, the closing of the 135th Street Bridge is more than a statistic.

A few weeks ago, the 91-year-old bridge was closed by the Metropolitan Water Reclamation District due to missing metal and corrosion. Put simply, the bridge was deemed unsafe for continued use. Yet, this bridge serves as the principal passageway between Romeoville and Lemont. The end result is that emergency vehicles, including fire fighters, police and rescue squads, are having difficulties responding to calls in a timely fashion.

Homeowners and businesses have expressed their concern, too. In particular, the Panduit Corporation, which employs about 218 people, reports that employees are chronically tardy because their commute time is doubled or tripled since the bridge closed. Since most traffic has been shifted to the State Street Bridge, drivers have been reporting up to 35-minute delays just to cross that bridge.

I do not know, and I know I do not have to express to this audience that loss of time means lost productivity and lost money. The situation in Romeoville is just one small example of the impact our deteriorating infrastructure will have on our economic productivity. We are, without a doubt, moving closer to a crisis stage. And we must shift our focus to providing and maintaining quality infrastructure.

We will also hear testimony today from the village of Ford Heights. I visited this community a little over a year ago, and frankly, was stunned by the quality of their water supply. The residents of Ford Heights have had water with unusually high levels of iron oxide and hydrogen sulfide for the past ten years. According to U.S. EPA, these elements do not present a health threat; however, residents are unable to bathe or wash clothes in their water. In the past, different village administrations have determined the solution is either to hook the village up to fluoridated Lake Michigan water or build a water well reservoir and a new pumping station. Before they choose one of these options, they must complete an engineering study to determine which solution will be the most cost-effective and best serve the long interests of the village.

Due to budgetary restraints, this community cannot afford the engineering study, and I believe it is unconscionable that Ford Heights residents essentially do not have a usable water supply and am working to change that situation there. And I am happy to announce this morning to the community that the $30,000 that was requested for an engineering survey to start the work in Ford Heights has been passed and has been sent to the President, so you can expect those kind of funds to begin the process in Ford Heights.

The two communities that I just referenced are just a small sampling, and they are not to say anything lesser for those who are testifying here this morning. I am pleased that the Committee has chosen to hear from the 4th Congressional District and many other communities throughout the nation before it crafts a major five-year reauthorization bill. It makes sense to hear from our local communities and assess their needs so our federal dollars can be spent efficiently. And Chairman Anderson has continually stressed his commitment to rebuilding our nation's infrastructure, and I wholly support him in this effort.

The United States ranks 55th in the world in capital investment in infrastructure as a percentage of the GNP. Yet, $17 billion stands waiting in that highway trust fund. Another $7 billion rests in the aviation trust fund. As the late Senator Dirksen once said, "A billion here, a billion there and pretty soon, you are talking about real money." So let us start planning for our future by using the money in these trust funds to help communities like Romeoville, Ford Heights, Joliet and others.

Mr. Chairman, at this point, I would like to ask unanimous consent that written testimony from the following communities be entered into the official record: The city of Aurora, the village of

Channahon, the village of Glenwood, the village of Homewood, the Joliet/Will County Center for Economic Development, the village of Mokena, the village of Montgomery, the village of Suak Village and the village of Woodridge.

The CHAIRMAN. No objection, so ordered.

[The letters referred to by Mr. Sangmeister appear on pp. 2163-84.]

Mr. SANGMEISTER. All right. And I suggest, Mr. Chairman, we proceed with the witnesses in whatever order the Chair would like to go.

The CHAIRMAN. Because of the number of people willing to participate in this hearing and because of the time constraints, I am going to ask each witness to summarize their statement orally in three to five minutes. But each person's full statement will be printed in its entirety in the record of the hearing.

Now, I want to call our first panel of witnesses from Congressman Sangmeister's district. We have Mr. Sterling Frazier, Village Administrator, speaking on behalf of Mayor Gloria Bryant of the Village of Ford Heights; Mr. Gordon McCluskey, City Administrator, Lockport; the Honorable Charles Connor, Mayor of Joliet; Mr. Ned Becker, Transportation Director, Naperville; the Honorable Dennis Valy, Mayor of New Lenox; and Ms. Linda Lindquist, Village Administrator of the Village of Romeoville. I want to welcome you all, and we look forward to hearing from you. And you can choose the time you want or you can follow the way I suggested. The first one I have on here was Sterling Frazier, but I will let you people organize it.

TESTIMONY OF STERLING FRAZIER, VILLAGE ADMINISTRATOR, VILLAGE OF FORD HEIGHTS; GORDON McCLUSKEY, CITY ADMINISTRATOR, LOCKPORT; HON. CHARLES P. CONNOR, MAYOR, JOLIET; NED P. BECKER, TRANSPORTATION DIRECTOR, NAPERVILLE; HON. DENNIS VALY, MAYOR, VILLAGE OF NEW LENOX; AND LINDA LINDQUIST, ADMINISTRATOR, VILLAGE OF ROMEOVILLE

Mr. FRAZIER. Thank you, Mr. Chairman. Mr. Chairman, distinguished members of the panel, I take this opportunity to express my gratitude to you and especially to our own representative, Congressman George Sangmeister, for holding this fact-finding hearing in our area and for giving me the opportunity to present testimony today. My name is Sterling Frazier. I am a Special Assistant to the Mayor of the Village of Ford Heights, Illinois.

The problem I wish to address this morning was already spoken of by Congressman Sangmeister, and that is the problem of potable water in the Village of Ford Heights. This problem has served not only to distress our citizens, but has been singular in impeding economic growth in our community.

Perhaps the best way to begin is to provide you with a brief history of the Village of Ford Heights and establish the context for the problem I will be discussing.

Ford Heights was incorporated as the Village of East Chicago Heights, Illinois immediately following World War II. The original settlers were soldiers returning from the War and Chicagoans seeking an alternative to urban living. The social structure consisted of urban middle class, factory workers and migrants from the rural South.

Over the past two decades, we have witnesses a steady erosion of our middle class residents. As our children become better educated and seek to fulfill their career goals, they leave home and due to expanded housing opportunities and the absence of available housing in Ford Heights, they tend not to return.

The net result is that ours has become increasingly a community of low income families and senior citizens. The 1980 Census showed a per capita annual income for Ford Heights to be less than $5,000, making us the poorest urban community in the United States. The erosion of our middle class produced a corollary devaluation of our basic assets and a shrinking revenue stream in the face of rising operating costs.

One important and dependable source of revenue over the years has been our water. Because our water system consisted of five wells which produced an abundance of water, the Village had been able to sell water to neighboring industries and communities. Both the City of Chicago Heights and the neighboring Ford Motor Company Stamping Plant were important customers for water and provided much of the revenue needed for essential public services to our citizens.

In 1986, Chicago Heights began purchasing Lake Michigan water. And in 1987, the Ford Stamping Plant annexed to Chicago Heights. Their stated reason for annexation to Chicago Heights was that the quality of water purchased from Ford Heights caused sufficient damage to their equipment and machinery that maintenance and repair costs became unacceptable.

I recently talked with a cosmetic manufacturer who was looking for a south suburban location for a new factory. In frank terms, he advised me that Ford Heights could not be considered as a possible site due to our water quality. There are many similar stories I could bring you, all of which have the same ending.

Technically, our water is safe. Both EPA and private laboratory results show that our water meets the minimum standards for potable water.

The practical fact, however, is that our water is of limited use to our citizens and of no value to commerce or industry. Our water has a reddish brown color due to the high iron content and has an offensive odor caused by high hydrogen sulfide levels, both of which are below minimum limits for drinking water as established by EPA.

We find ourselves caught in a chemical aberration where our water quality meets accepted EPA standards, but is offensive to human senses and unfit for industrial use.

I have submitted to you for the record a recent report from Mr. James W. Wilner, Chief Engineer for American Water Works Service Company, Inc. They are the nation's largest operators and owners of well systems. Mr. Wilner inspected our water system and reviewed EPA and private laboratory analysis for the past 12 months. His conclusion was the same. Our water meets minimally acceptable standards, but is of no practical use.

The solution to our dilemma can only be developed by a comprehensive study that will better define the problem and weigh the feasibility and cost effectiveness of the various alternatives. Our engineers estimate that a study of our water system would cost $30,000. This brings us back to the problem of inadequate revenues to provide basic public services. While the cost of this study may seem paltry to the average municipality, it represents half the annual payroll for our Public Works Department. The trade-off is unworkable.

In the meantime, our competitive edge afforded by our land and transportation assets are neutralized by the intractable problem of our water quality.

I come to you with this problem seeking a solution. Moreover, I seek a solution that can be implemented immediately. The industrial and commercial opportunities already lost cannot be recovered. And we know that without immediate action, the chance for capturing industry will continue to decline.

I thank you for your attention. I make myself available for your questions and recommendations.

And let me take this opportunity to express our appreciation to Congressman Sangmeister for the work he has already done in getting a solution to this problem. I cannot tell you what it means to us that you have made the kind of progress you have in getting us the funds to do the study. We are certainly appreciative of that. Thank you.

The CHAIRMAN. Thank you. We will hold our questions until we hear from everybody.

Our second witness is Mr. McCluskey. Gordon McCluskey.

[The prepared statement of Mr. Frazier appears on p. 2084.]

Mr. MCCLUSKEY. Thank you. The City of Lockport would like to extend our appreciation to you, Mr. Chairman and Mr. Sangmeister, for this opportunity for offering both oral and written testimony.

The Lockport City Council has requested the following infrastructure needs of our community and/or the area be provided. I would indicate that I am the City Administrator for the City of Lockport. I have been with the City of Lockport for 22 years. I am a registered professional engineer in the State of Illinois.

The Exhibit A, which was attached to the correspondence, is supported by the City Council action as of October 1, and it is the Will County transportation needs in an unprioritized order.

Exhibit B is the City of Lockport's transportation short- and long-term goals. In particular, one of our transportation long-term goals, the high-level bridge at Bruce/Caton Farm Road is now a top priority. With the recent unannounced closing of the 135th Street Bridge, Romeo Road, which Mr. Sangmeister had referenced to, and the prior closing of our division street bridge, all traffic is rerouted through Lockport. At peak times, east of 9th Street high-level bridge, we have gridlock on Route 7 east to Lincoln Street, which is about a mile and on Route 53 north to Lewis University, which is about a mile. We need another high-level bridge.

We feel the location at Bruce/Caton Farm for the next high-level bridge offers a greater area wide benefit in that it would connect the south leg of 355 when it is built, which is Lake Will tollway, to

Illinois Route 171, 53, 30, 55, 59, westerly to 47 and 71 to become a local east-west interconnect lying between I-80 and I-88.

Both of these exhibits confirm our need for continual federal support and continued funding through the Highway Act and funding for the local Joliet Urbanized Area Council of Mayors. I would indicate outside of the context that the five cent tax that you are talking about is just unfortunate that all that money cannot come back to the local people for distribution to satisfy our local needs.

Exhibit C, which was attached, is further correspondence to the Illinois representatives which illustrate the need for infrastructure, including storm sewers, sanitary sewer improvements, emergency alert sirens, public works equipment and local health problems. Two of these items are highlighted by the recent Plainfield/Joliet tornado and the lack of notice and also the very wet summer, which produced a bumper crop of mosquitoes. It is hard to realize mosquitoes, when it is as cold as it is now, but gentlemen, they were a problem this summer. It is my understanding that had the Doppler radar been available, instead of Marseilles, but at the Lewis University Airport, which is a project that is on the books by the Joliet Port Authority, we might have had a proper notice through the proper type of radar.

We would like the designation of the federal disaster area to include or initiate further action of the moving of the weather station from Marseilles to Lewis University. We have also cited within the presentation the historic downtown improvements and revitalizations that are being made. The I&M Canal Heritage Corridor and the Canal itself is in need of improvements. The Heritage Corridor, despite that designation, is the main storm sewer collector for the City of Lockport, and it does need work.

Enterprise zone opportunities are offered with tax abatements that are not spread over the existing population, and we do need help with that.

Regrettably, time does not allow further comments at this time. The City Council and our citizens thank the Chairman, the Committee and you, George, for this opportunity to make our public statement. Thank you.

The CHAIRMAN. I believe next is Mayor Charles Connor.

[The submission of Mr. McCluskey appears on p. 2133.]

Mayor CONNOR. That's correct, Mr. Chairman. Thank you, Mr. Chairman, and thank you, Congressman Sangmeister. My comments have been filed. I did not hear it picked up earlier.

Mr. SANGMEISTER. Those that I put on record were those of communities that were not here.

Mayor CONNOR. Oh, excuse me.

Mr. SANGMEISTER. Yours will all automatically be in the record.

Mayor CONNOR. Okay, fine. I just wanted to make some oral comments on that testimony. I am not an expert in these matters, but I just would like to concentrate on the problems of older cities like Joliet. Joliet is a city of about 80,000. It is about 160 years old, settled shortly after 1830. We had steel mills in Joliet in 1869, we were kind of a typical rust belt area milltown. We are coming back. We have had some problems.

The cold figures in these comments are bad enough, but I think things can get even worse in some ways. The cold figures show that for a new water source, for better wastewater treatment, for bridges, for roads, that our bill would be between $150 and $200 million. Now that is for the city, where seven years ago, we had the highest unemployment in the United States, about 26½ percent, and where the unemployment, as I understand it, is still in the area of 11 percent.

Now you get an older city like Joliet that has a lot of the urban problems of America, even though we are only a city of 80,000. You know, we have gangs, we have drugs. We have a certain amount of blight. We have a substantial population—a black population, Hispanic population. And those create—you know, those problems give people reason to leave an older city. You know, a person can move five miles from downtown Joliet, you can have a septic system, a well, a volunteer fire department and a school with very few minorities in it. And that is a pull that drags people out of cities like Joliet. And we do not need any more reason, like high taxes, to help repair our infrastructure, to convince people to leave.

The $50 million approximately it will take us to find a new water source on the Kankakee River has already caused us to raise our water rates 48 percent. We met the problem head on, and we have increased our water rates by about 50 percent. And those are the kind of things that make people want to leave a city. So you know, I am just telling you that we do need help. I do not know how you would fashion that help, but it is very difficult for the older cities to meet some of these problems.

And a particular problem, you know, I make reference to is the problem of going down to the Kankakee River and get that water. That is going to cost us $50 million. And we have a river and a waterway that goes through the center of Joliet that should be an asset to the community and we are trying to make it an asset to the community. It even could supply us with some water, but because of failure of infrastructure upstream, we have a dead waterway. It cannot be used for—it cannot be used for water, it cannot be used for recreation. And I have lived in Joliet 61 years. I have never seen a fish come out of it, it is a dead stream. We cannot even get water out of it. So not only do we need it. Some of the places like the Metropolitan Reclamation District need it so we can fish off our Jefferson Street Bridge.

So, in summation, I would just like to say that older urban cities need help with their infrastructure. Like I said, there is a lot of reasons to leave. I would like more reasons for people to stay. And I wish I could give you some specifics on the solution, outside of money. Thank you.

The **Chairman**. Thank you very much, Mayor.

Ned Becker.

[The prepared statement of Mayor Connor appears on p. 2081.]

Mr. **Becker**. Mr. Chairman, Congressman Sangmeister. Thank you for the opportunity. I am Transportation Director for the City of Naperville. I have been there for 20 years. And I am also a registered professional engineer.

The thrust of my comments this morning are based on transportation and solid waste. Regarding transportation, I think there are two distinct challenges facing us today.

The first is to develop programs that will assure that our very intense investment in transportation facilities is maintained. Taxpayers have invested literally multi-billions of dollars in building a system that is unequaled in the world. Unfortunately, the cost of maintaining these facilities in the long run usually costs more than the initial investment.

I suggest a greater emphasis needs to be placed on the maintenance efforts in order to guarantee retention of the facilities that we have. The focus of that attention needs to begin at the highest level, at the Congress. I would also suggest that any further investment in new facilities should be dependent on a commitment from the responsible agency for maintaining the existing systems.

I also think that before we simply embark on a program to replace those elements that exist today, that a requirement be made that alternatives be reviewed in order to determine whether or not the existing improvements are the most appropriate. We have learned much since the initial construction of these elements of the infrastructure. There are, in many cases, more cost-effective solutions.

The second challenge facing us today is to determine how best to invest dollars into the transportation system of the future. I realize that may not be the specific objective of this hearing, but I would like to at least offer comments relative to that future investment.

I suggest that much more attention needs to be directed at more effective incident management. Incidents are defined as anything from accidents to utility repairs. It has been shown through documented federal studies that half of the congestion that exists today is the result of incidents, as opposed to capacity restraints. What this is going to require is more awareness on the part of those individuals responsible with maintaining and developing the transportation infrastructure. It will be necessary to everyone who has a role in the transportation system will have to be aware of the problem of incidents and work together to reduce that figure. Obviously, we are nowhere near effectively utilizing the system that is already in place.

In regard to the matter of solid waste, which by the way, we in Naperville prefer to call resource recovery, I do not feel there should be an emphasis on worrying how we are going to replace existing facilities, such as landfills and incinerators. Instead, I think our efforts should be directed toward finding ways to reduce, renew and recycle our resources so that we do not have a need to try to burn up or cover up these needed resources. I am convinced that in regard to the issue of resource recovery, we all know what we have to do. It is a matter of making a commitment to do it. I see the need for a federal focus in the areas of education and encouragement to do the right thing. The actual delivery of the service then could be maintained at the local level.

Thank you again for the opportunity for presenting these remarks.

The CHAIRMAN. Thank you.

Mayor Dennis Valy.

[The prepared statement of Mr. Becker appears on p. 2079.]

Mayor VALY. Yes. Thank you, Mr. Chairman and Congressman Sangmeister. I am Dennis Valy, Mayor of New Lenox, a town of 10,000, located 35 miles southwest of downtown Chicago.

More than 260 municipalities outside of Chicago in northeastern Illinois participate in transportation planning through eleven councils of mayors. I am Chairman of the Executive Committee of these councils. I am testifying on their behalf today.

The Executive Committee and the Council spent a considerable amount of time and energy over the past two years identifying our infrastructure needs and working toward a strategy for meeting these needs. We have come to the conclusion that a crisis is in the making and have formulated ideas on how to avert this crisis.

First and foremost, the mayors support a substantial role for the Federal Government in urban mobility. We are united in our support for continuation of the Federal Aid Urban Program or a program very similar. This program has done the job it was intended for in our region. The success of regional planning and decision-making and the near total expenditure of these funds on projects to increase mobility between urban communities are evidence of a good program. The reauthorization must include a program which delivers federal money directly to local projects within the metropolitan area. For the local elected officials, the responsibility for selecting and programming the projects funded through this program is of paramount importance since we are the ones most familiar with the need.

The focus of the federal—of future federal programs should be on urban areas to enhance mobility and attack congestion. Urban mobility is a national concern because our nation's economic vitality is dependent on it. Yet, the FHWA has drafted a proposal calling for creation of a rural-based national highway system that would result in less federal funding for urban areas. This proposal, even with supplemental urban programs, oddly fails to meet our needs.

A separate formula driven program is essential for urban areas to allow for continued efforts to implement solutions to intra-urban travel. Programs need to have uniform matching provisions so that no local decision-making is driven by a project's ability to attract the greatest federal participation. The new program must be flexible—flexible in such a way as to meet the very needs of different subregions within the metropolitan area. The ability of the locals to overmatch federal funds is critical. In areas that have this ability, overmatching enables federal dollars to go further. This option should be retained in future programs.

Other areas of flexibility of particular importance to northeastern Illinois is the ability to commingle federal and private funds. Augmenting federal dollars with tolls, development fees and impact assessments allows many more projects to be accomplished with the same federal dollars. Municipalities have worked long and hard to encourage participation by the private sector in building and rebuilding of infrastructure.

The State, last year, was successful in passing a six cent increase in the state gasoline tax. The Federal Government must show an equal willingness to share the load in order to foster a healthy economy. Recent studies included one by Apogee Research, Inc., have illustrated the connection between a solid investment and infrastructure and the country's gross national product.

The American public is being deceived on the matter of user fees for transportation. As you well know, a portion of these funds have been held hostage for deficit reduction for several years. This has been a total deception. User fees are only appropriate when they are used for the purpose for which they are collected. To compound this deception, the budget compromise included a five cent hike in the gasoline tax for deficit reduction. This creates a dangerous precedent that is totally obnoxious to our mayors. All federal motor fuel tax funds should be used for transportation purposes. Was there any attempt on the part of this Committee to assure that funds for our proven transportation needs was part of this package? According to the Apogee study, a sustained $40 billion federal highway program could generate an additional $400 billion in gross national product and $29 million—billion, excuse me—in corporate profits annually by 2012.

The USDOT's own reports show a tremendous need for investment in order to stave off future substantial increases in the cost to rebuild infrastructure. A 1989 report to Congress by USDOT identified 40 percent of the pavement on the federal system as in poor or fair condition and 28 percent of the bridges as structurally deficient or functionally obsolete. Conditions in northeastern Illinois parallel national needs. The DOT said a 20-year $40 billion annual investment would be necessary to meet existing highway capital needs. That would be $25 billion above the current annual federal highway spending. Federal funds must be part of the mix that rebuilds our transportation system.

To sum up our recommendations on rebuilding our ground transportation infrastructure, we need a program that is flexible, formula driven and retains the ability of the local elected officials to select and program projects. In addition, the funding for the Federal Aid Urban or a similar program must be increased. The federal funding for this program stayed the same for over a decade, even after the federal motor fuel tax increase in 1983. In this last act, the funding for the FAU program decreased.

Finally, let me turn my attention to airports. The Council of Mayors have been an active participant in the ongoing consideration of a supplemental airport for our region. As you are aware, Illinois and Indiana are currently undertaking a study to determine the location of a supplemental airport for our region. We need sufficient airport capacity to keep up with rising demand. It is in the economic interest of our area to do so. From a national perspective, additional commercial airport capacity is needed, especially in a strategic area such as the Chicago region. A bi-state study concluded that additional airport capacity will be needed in the near future. The Federal Government should be a major source of financing for development of this additional capacity.

This concludes my testimony. As you continue to work on balancing demands for increased transportation funding with the very real need of reducing the deficit, please remember the link between investment in our national—nation's infrastructure to our national prosperity.

Thank you again for allowing me the opportunity to present the concerns and ideas of the Council of Mayors.

The CHAIRMAN. Thank you, Mayor.

Ms. Linda Lindquist, Village Administrator of the Village of Romeoville.

[The prepared statement of Mayor Valy appears on p. 2126.]

Ms. LINDQUIST. Chairman Anderson and Congressman Sangmeister, on behalf of the community of Romeoville, I want to thank you for the opportunity to speak to you today, not only on an issue of future planning and infrastructure needs of the communities at large, but also an immediate crisis that Romeoville is experiencing.

Just a moment to take some brief history of the community. Romeoville is not your typical suburban bedroom community. We are a village of approximately 16,000 people, mostly blue collar people. Homes were built in the post-war period of $100 down and $100 a month mortgages. We reflect a mixed heritage of our people. We have a combination of Yankee stubbornness and to take care of our own and Southern gentility that defines what is our own very broadly. This is fairly common, but we have done some unusual things that set us apart.

Romeoville sits in the heart of some of the most prime industrial development land in the state. Growth projections for our area provided by the Illinois Department of Transportation and the Northeastern Illinois Planning Commission astound us. With our available land, utilities and transportation facilities, we are in the center of an area that is attracting major players in the nation's corporate and industrial development.

We did not get into this position by accident. A few years ago, we looked at what could be done to spur economic growth in what was a stagnant community. This growth was vital to generate revenues needed to support existing infrastructure needs through the development of new revenue sources. Among other items, our staff determined that we needed an interchange off the I-55 Interstate at Weber Road. After a coordinated effort by the village officials and staff, the State Highway Department, the county and developers interested in the area, we knew we had a good idea. The state planned an interchange in the area within the next ten years, but we needed it now. The state agreed to move the funding up for the interchange if local funding was found to match half of the estimated cost. To the surprise of many, we did it. Two developers each contributed $1.5 million. Romeoville literally sold a farm we had to pay our portion. Will County and the Will County Center for Economic Development worked together to find FAU funding to make up the balance. As a result, approximately 24 months later, last week, the Romeoville Interchange opened.

In a self-congratulatory burst of exuberance, we felt as if we had worked a miracle. Coordinating these efforts was a hard arduous process, but it was done. Our experience with miracles is limited, and we are finding the supply is not endless.

Over the past 89 years, we struggled with the normal infrastructure demands that most communities face. We have also had to deal with repair and replacement of decaying infrastructure. Through long-range planning, capital improvement financing and creative use of time and energy, we have been almost able to hold our head above water. New revenues generated by growth are funneled right back into capital needs programs. The two-year temporary income tax surcharge enacted by the state has allowed us to resurface over 29 streets in our community, some of which had deteriorated to gravel roads. This would not have been possible without the assistance of the state. But this is not my main topic. I just wanted to illustrate that Romeoville has a history of doing the work behind the project and the problem.

Why I am here today is to tell you that Romeoville lies in the northern portion of Will County. The Chicago Sanitary and Shipping Canal and the DuPage River cut through the eastern third of our community. It is this portion of the community that houses approximately 40 homes and four businesses. This area also represents one-half of the village's assessed valuation. It is considered to be a primary entrance into the Will County growth corridor. In the past month, this area has become of critical concern to Romeoville and the surrounding communities.

In September, we were notified with no warning that the Metropolitan Water Reclamation District of Greater Chicago had closed the 90-year-old bridge that connects the eastern and western portions of our community. This caused village officials to scramble to ensure that there was no loss of safety-related services to the area. This was not easily done. The nearest alternate routes to the area add 20–30 minutes to our response time. When you are dealing with police and fire calls, this is not acceptable. Temporary agreements with other agencies were hastily struck. I do not know if either of you have ever been through a refinery fire. We have. Critical response time is primary to us.

Although the Metropolitan Water District of Greater Chicago was certainly aware that at 90 years, the bridge had outlived its estimated life span of 50 years, this was the first time this summer that extensive testing had been done to determine how sound the bridge was. As Congressman Sangmeister said earlier, it was found unsafe for vehicular traffic after finding that as much as 50 percent of the infrastructure had decayed due to rusting and corrosion.

The District has no plans to renovate a bridge of this age, and that is understandable. They are not in the bridge business, and providing a new structure, if there will be one, will up to Romeoville to spearhead. Replacing this bridge is not something we can do alone. In this situation, there are several agencies involved. It appears that after digging through old documents, court orders of decades that the bridge may, indeed, belong to Romeoville.

Replacement of this type of infrastructure is difficult enough when authority or responsibility is clearly defined. In cases such as this, it has become a frustrating and time-consuming experience. Romeoville is committed to being involved, but we feel no effort by a single agency can overcome the scale of reinvestment or cut across jurisdictional barriers. Had we been notified of the life expectancy of the bridge earlier, we could have become involved before this situation reached a crisis.

This 90-year-old structure provided transportation access to nearly 6,000 vehicles a day. That was at a reduced weight limit. Projections for the year 2000 are 18,000 vehicles a day. Loss of this vital transportation link will have an immediate devastating effect on the economic growth of our community. Already one business has closed its door and two more anticipate closing within the month.

The Weber Road Interchange I mentioned earlier was built to accommodate an immediate need of 3,000 vehicles per day, so you can see the relationship with how important this bridge is to our community. Without this bridge, all of the traffic is being diverted over the only two alternate routes available. Both of these are also bridges. Traffic delays of one hour are becoming common. As was mentioned, our local businesses are having problems getting their employees to work. Traffic accidents have begun to increase. There are three railroad lines intersecting the highways in this area. And our response to railroad and refinery accidents is of primary concern to us.

Closure of this bridge has impacted the economic development of the entire northern portion of the county. If the village had the bonding capacity and a way to pay the debt, we would build the bridge ourselves. We cannot issue the bond sufficient to pay this debt. Surrounding municipalities dealing with increased traffic patterns as a result of this closure agree with the need of replacement, but none have an open wallet either.

The Metropolitan Water Reclamation District has an elected board, but the constituents do not live in Will County. Where are we going to go to for help? What are we going to tell the 6,000 users of that bridge?

I am sure you will find similar situations all across our country. Infrastructure replacement is not something that is new. It has been put on the back burner far too long. These big ticket projects usually cost more money than most communities ever hope to raise locally. The property taxes already represent an increasing burden and are not available for a non-home rule community in a situation such as ours.

The burden of replacing what we already enjoy is ours, but we need assistance. It is critical that a plan be developed and enacted to provide relief to communities like Romeoville—excuse me—struggling at the grass roots level to provide day-to-day services that your constituents and ours have come to enjoy. Thank you.

[The prepared statement of Ms. Lindquist appears on p. 2110.]

The CHAIRMAN. Thank you, Ms. Lindquist.

Thank you. Your statements have been most interesting, and I do have a couple of comments, a couple of questions.

Ms. Lindquist, next year, our Committee will be writing a new highway bill. And at that time, I would certainly want to work with you and George to help secure federal funding for the 135th Street Bridge that you mentioned.

And Mr. McCluskey, let me just point out that Congressman Sangmeister was very successful this year in securing three million dollars for the I-80 Interchange that you referred to. And I can tell you, getting these funds was not easy, so I hope you appreciate all of George's efforts back in Washington on your behalf.

And if our Committee develops a general infrastructure bill, the funds of which would be distributed to communities around the country in part on the basis of benefit cost analysis, how do you think your project would fare in relation to those that we get suggested from elsewhere? Do you want to comment on that? And I might just kind of start by saying, looking at infrastructure problems, what steps are you taking or can you take to meet your particular needs, and what kind of help do you expect from the state and the Federal Government?

Mayor **CONNOR**. Well, I will just take a crack at that. As I mentioned, the City of Joliet, in order to meet a federally and state mandated change of water source because of high radium, we increased our water bills by almost 50 percent—48 percent, specifically. So, you know, we do attempt to meet these problems head on. I do not know what criteria you would use in prioritizing—I do not like that word—prioritizing who gets what. But, you know, if you used—if you used some measure of what a community can produce, I would think Joliet would do pretty well. We have high unemployment. We have substantial people—number of people below the poverty line. You know, and we have made efforts on our own to do things. Now, I do not know, Mr. Chairman, what other criteria you would use. But, on the ones that seem most logical to me, I think we would do pretty good.

Mr. **MCCLUSKEY**. I would support that position. I would think that any one of projects—be it 431, the south leg, the tollway, the high-level bridges, the storm sewer needs that we have, the Dopler radar that I referred to—I have no question in my mind—no doubt in my mind as to your question that we would rank high on any priority list you would have.

Mr. **FRAZIER**. I would just like to say, Mr. Chairman, that since nobody wants to take first place, Ford Heights would be more than glad to accept that position. I think if we are going to compare negative numbers in terms of high unemployment and per capita income—if we are going to base the criteria on need, I do not think anyone could surpass our need. I think the urgency in terms of the rapid development of our section of the county requires us to move rather fast on this, and I would assume that whatever priority that you are going to develop would have—would be somehow related to immediate impact. And I think that Ford Heights would rank very high among those.

Ms. **LINDQUIST**. I would like to suggest too, Mr. Chairman, that as we prioritize these needs, while the impact of the individual communities is very important, it needs to be looked at as the impact to the entire surrounding community. An overseeing body, such as a county, that can help make recommendations and prioritize within their general overseeing area. Their input is very important. Each community should not be placed in the position of vying with their neighbor for federal funding. We should look at the overall impact to that general area.

Mayor **VALY**. Mr. Chairman, the Will County Center for Economic Development has a Transportation Committee, which I also chair, and we have sent out surveys to all the municipalities within the county asking them to send us back their regional needs—not just local needs. And to that, we have prepared a list of regional projects for the county, and we just have included the 135th Street Bridge on that regional list, so I—in answering your question, I would think Will County stands ready to look at the regional needs on a much larger, broader scope than local needs, and I think that is what Linda was referring to.

Mr. BECKER. Mr. Chairman, comment—what I tried to do was to focus on the fact that I think a lot of times, we get wrapped up in having to do new things or replace existing. And really, I would think it was important to try to include something in the legislation that would at least require before the projects are even funded—require a commitment on the part of the local agencies to take a look at, are they maintaining those facilities in a way that will assure that investment in that facility into the future. And then, there is a lot of ways, as we deal on a day-to-day basis with problems of trying to wring more capacity out of the existing facilities. There are things we can do, and I think that Administrator Larson has pointed out previously about this incident problem. The fact that there is so much delay as a result of accidents, as a result of utility cuts and things of that nature that are causing restraints in our system that are not—we do not have to do something in those areas to build something more. We just have to manage the facilities that we have today. So again, in that area, I think we would like to see something that would force that. Then, the determination of priority on the new projects; in effect, are we spending the money in the most wise manner? Thank you.

The CHAIRMAN. As officials of the communities close to or within Metropolitan Chicago and fairly close to the state line of Indiana, some of you may have some problems in common with them. How do you think these mutual problems, and do you think that our Committee should be looking into a regional approach to help solve regional problems involving large metropolitan areas, or do you think it should be those that cross, perhaps, for example, state lines?

Mayor VALY. Well, the Council of Mayors in the six-county region are already in place for all the transportation needs. We represent 260 municipalities, and we certainly have been in place for almost 20 years.

The CHAIRMAN. Are they all in Illinois, or do they cross lines?

Mayor VALY. All in Illinois. But, we do work very closely with Indiana for transportation needs because we are well aware of the fact that they do intertwine. We work closely with their planning and their transportation divisions to make the whole system work. So that is already in place here in northeastern Illinois.

The CHAIRMAN. We had a hearing a few weeks ago in Indiana, and we found that there were some people who wanted to get transportation to Chicago from Indiana better. We equally found there are some officials from Chicago that came over and wanted to get into certain places in Indiana, so——

Mayor VALY. Well, there is a joint effort right now with Indiana and Illinois for the Borman Expressway, for instance. I think that might be one of the things you are talking about.

The CHAIRMAN. That was one of the names that came up.

Mayor VALY. And there is also a highway that has been on the books for over 20 years for a new east-west freeway—which I do not think it will be a freeway, but it is called a freeway now—to link, say, I-55 all the way to I-65. And that will take the pressure off the metropolitan area. And that is—Indiana has been pushing that even harder than Illinois, but Illinois is getting on board right now. So, we are working in joint across state boundaries and regionally in that effort, and that is why we are so concerned about the Federal Aid Urban Program continuing because that is the program that originally got the mayors together. But, we go much further than just the federal aid program in our conversations. And quite frankly, when local officials get together and talk together, everything works better.

Mayor CONNOR. Mr. Chairman, I just might have one word. There are areas that have gotten together to solve problems. I think most of the communities in Will County in my area have a problem with water. DuPage County just north of Will County, almost the whole county has gone to Lake Michigan water. Whether that is possible financially for Will County to do, I do not know.

But, I did want to mention that at some sacrifice to the people who live in the Des Plaines Valley, about 90 years ago, the Chicago River was turned down—turned around, and we take all of the sanitary waste from the Greater Chicago Area right through the middle of Joliet. In the 1880s and 1890s, Chicago had water borne disease rates like Calcutta, India. Talking to someone from the—I still refer to it as a sanitary district—I think one year in the 1880s, 80,000 people died in Chicago. So at some sacrifice to our recreational and aesthetic values, we have contributed to keeping Lake Michigan clean, and maybe—excuse me—some kind of federal project to get us water out of Lake Michigan would not hurt anything.

The CHAIRMAN. Thank you. Mr. Sangmeister, do you have any questions?

Mr. SANGMEISTER. Yes. Sterling, now that you know that you have got the $30,000 for the engineering study for that water problem you got out there, and obviously, the reason for those funds is so that you can have an engineering study and come up with costs on what you are going to do. But for me, have you got any idea—have your present engineers given you any ball park figure as to what it is going to cost? Or, do you even know at this point? Can you use any of the existing system at all, or is it going to be entirely scrapped, or can we use that and go for another well? Or, just what—what is your engineer talking about? He must be talking somewhere in the ball park?

Mr. FRAZIER. Yes, Congressman. We have done some work in the anticipation that we would solve this immediate problem of funding the study. It appears that the mains—the infrastructure is in pretty decent shape. Our wells are in pretty decent shape in and of themselves. What we are looking at, then, is adding a filtration capability, which is expected to cost somewhere about anywhere from $750,000 to a million dollars. We have also learned a great deal from looking at some of our neighboring communities who also have well systems, and the cost of installing and operating filtration systems in those communities have been very valuable information for us in terms of where we are going to go in the future.

Mr. SANGMEISTER. Okay, then. That at least gives us a ball park that we are working within, and you will—this engineering study, I am sure, will come up then, obviously, with the final costs and what has to be done.

Mr. **Frazier**. That is correct. In addition to that, the community is eligible for CDBG funds.

Mr. **Sangmeister**. That was my next question. What local funds do you see that can be also put towards this project?

Mr. **Frazier**. Well, the Village Council has already taken the position that a substantial portion of its CDBG allocation for 1991 will be applied to the solution of this problem. That is expected to approach about half of the cost. The other half of the cost—roughly about a half million dollars, we estimate—we are not quite sure where it is going to come from. We are going to be looking around for other sources. I think the study itself is going to be one of the principal tools for identifying potential sources for funds.

Mr. **Sangmeister**. Well, as we know, from being out there, your community needs a lot of things. But, I think this is, without question, the number one priority. When I saw the water coming out of the spigots in homes out there that, you know, frankly, I would not bathe in, let alone use for drinking water. I know from EPA that it is safe drinking water, but the smell and the looks of that water are something I do think has to be done out there.

Mr. **Frazier**. Yeah, and we are very glad you came out and saw it for yourself. Most people do not believe the conditions when we describe them. And it is also hard to describe those conditions and then say at the same time, "But the water is safe." It is a real——

Mr. **Sangmeister**. Gordy, I do not know if you are aware of it or not, but on that Dopler radar that we are all concerned about getting installed because of the tornado that we had, there is a better unit. It is called a Nexrad. I do not know whether you have heard about it or not. That is about a $2½ million unit. The National Weather Service is looking for about 160 of those. And, Lewis University is designated and it will get one. Now we are number 16 out of 160. We are trying to move up on that priority list. What that means is by 1992, Lewis University will have it. We are trying to move it up to next year if we can. So far, we have not been successful in getting that done, but we have not given up on that. That is a super sophisticated piece of equipment that truly will be able to track tornadoes.

As you know, the one that went through there, when you hear from the National Weather Service, was not even sure that the Dopler that they presently would have, obviously, does not even pick it up. But, this unit would, so I think that is on the horizon, and we will be working for that.

Outside of that, on behalf of—you know, the Chairman must talk in very general terms because he has got the whole United States to be concerned about. I have you people and many more in this district to be concerned about. So, I know, as I discussed with you a few minutes before the hearing started, you have got a water problem up in Lockport, as Joliet does and as Plainfield does. But you are getting some relief and some changes in EPA regulations. Do you think that is going to pacify it for a few years or—about that specific project, what would you—give me some info.

Mr. **McCluskey**. I think what is going to happen with the change in the limit of the peco curies, it takes the immediate need off. As I indicated, we—the City of Lockport—are under the pollution control board orders—many municipalities are. That is a band-aid approach. I think what ultimately has to happen as the area grows and we all had reference to the interstate system and the potential growth of the area through the Interchange that you need water and you need sewerage, and both of those do not come without a cost. It is going to take us out of the pollution control board order because we would lie within the limits. However, there is still a need for a more dependable source of water, other than deep wells.

Mr. SANGMEISTER. So, you are looking some place as well, right?

Mr. MCCLUSKEY. That is correct.

Mr. SANGMEISTER. You are looking at Lake Michigan as well?

Mr. MCCLUSKEY. That is correct.

Mr. SANGMEISTER. Okay.

Mayor Connor, you talking about $130 million would not hurt your community at all.

Mayor CONNOR. I am not looking for the check, George, but it would help.

Mr. SANGMEISTER. Okay. It is not in the mail either. But in looking through your written testimony and your oral testimony, you are talking about everything from bridges to storm sewers and your water supply and that. Give me a project that—it is hard to prioritize when you need everything. Okay? I know the city needs a lot. But, if you were to pick out the thing that is most important for the city you represent, which project would you put the priority on?

Mayor CONNOR. Well——

Mr. SANGMEISTER. I know it is very difficult, but——

Mayor CONNOR. It is very difficult. You know, I might not go to any of the projects that were listed here. See, I do not know how the Federal Government looks at toll roads. You know, I think one of the answers to Joliet's continued growth—and I think we have grown. I am not going to make any comments on the Census Bureau. That is probably another discussion. But they did not count Joliet. Anyway, you know, I think immediately in terms, you know, of our water problem because that is a big number. I would think in the long run, I think we will be able to solve that problem.

I would like to see the north-south tollway go through. Now I do not know if that is an infrastructure program that the Federal Government would address. It has been my understanding that the Federal Government does not want to get involved in tollway construction. I would think if it is true, and I am sure it is, as people have mentioned here today that the big expenses of highway construction are maintenance, rather than the—you know, in the long run, rather than the initial cost, you would be better off helping something get started on the north-south tollway and its move from Bolling Brook to New Lenox and then letting the users pick up the fee. I—you know, just off the top of my head, I think that the completion of the north-south tollway to Route 80 would probably do more good for the benefit of Joliet.

And I did not get into detail, George, but you know, my grandfather worked at the mill in Joliet, my father worked at the mill in Joliet, and I worked at the mill in Joliet. And when they worked, there were 3,000 people there. Now, there is 150. Caterpillar had 7,000; now they have 3,000. Joliet was once the wallpaper capital of the world. The last one closed maybe six months ago.

So whatever we can get down there to encourage, you know, economic growth and—you know, I do not know if the extension of the north-south tollway is going to, you know, turn out like the east-west corridor did, you know, through DuPage County. But if it did a third of that, we would be highly appreciative.

Mr. SANGMEISTER. Well, just because it is a tollway now does not mean that the extension of it has to be a tollway. You know——

Mayor VALY. Whatever it takes to get it, George.

Mr. SANGMEISTER. I understand.

Mayor CONNOR. I echo that.

Mr. SANGMEISTER. Okay. I know Dennis has worked long and hard on that project, and it is still number one priority, I presume.

Mayor VALY. Yes, sir.

Mr. SANGMEISTER. With all of the municipalities. Do we have a—either one of you—have a ball park figure on what that would cost to complete that?

Mayor VALY. The last figures were in the 277, but that is as a freeway. It has been—the toll road is studying it now. The Governor asked the toll authority to study it. In fact, Mayor Connor and the Mayor of Lockport and I have a meeting with the Executive Director of the toll authority at 2:00 this afternoon to find at exactly where they are at and where their numbers are now.

Mr. SANGMEISTER. Well, counsel has just advised me that in the 1987 highway bill, we designated seven states for construction of toll roads, where up to 35 percent of the cost of the project could be paid with federal funds.

Mayor VALY. I understand that.

Mr. SANGMEISTER. We will be further exploring the toll roads concept in next year's bill, so that is apparently in the thinking. Was Illinois one of the states of the seven?

The COUNSEL. I do not recall.

Mr. SANGMEISTER. You do not recall.

The CHAIRMAN. I do not believe it was.

Mr. SANGMEISTER. Okay.

Mayor CONNOR. Congressman, I would also like to mention. You know, I think the Metropolitan Water Reclamation District is going to be up here shortly, but whatever you could do to continue work on the deep tunnel and those things that will clean up the water north of Joliet. I mean, I dream someday of having a pristine stream go through Joliet. I do not think I am going to live to see it, but maybe we can catch a carp off the Jefferson Street Bridge someday.

Mr. SANGMEISTER. We probably will not re-reverse the river.

Mr. Becker, you spoke very much what I think the Chairman wanted to hear here today, and that is in the general terms of where this Committee ought to be going as far as infrastructure is concerned. Is there anything in particular for your community or any of the other projects? How about the extension? I imagine that is a big item to you—whether or not we extend 431. But, is there any other infrastructure or highway projects in your area that specifically you would like see accomplished?

Mr. BECKER. I think I have always been very critical, even in our own DuPage Mayor's Manual, which is the local agency for reviewing federal projects, trying to understand sometimes why projects had federal interest and really tempted to try to get our committee members to begin to look at things in terms of where was the federal involvement in this? Why was there federal significance to doing one thing or another? I think we have tried to do a lot of things as much as we could using local facilities.

As you know, we have grown from 20,000 in 1970 to over 80,000 people now. So, we have had a tremendous demand on expanding our infrastructure system. We have received quite a bit of funding, I think, in terms of—for highways, for our needs with water and the DuPage Water Commission. We are on a Lake Michigan system or will be within a year when construction is completed, and we have received a number of grants for installation and improvement of our wastewater treatment facilities. But, I think, again, the facilities—there is enough facilities of regional import.

Again, specifically, the expansion of the toll road—or the north-south toll road, I think, would certainly be an advantage to us. The opening of the interchange that Ms. Lindquist referred to is a key part of our system in terms of providing another route of access for people in our community to the interstate system. So, we have seen the federal funding. Again, I could not give you a specific project.

But instead, would like to see an emphasis towards making sure we maintain the investment. And again, I cannot emphasize enough, I do not think there is enough interest or enough importance given to the fact that we have in a lot of ways a very adequate system that we do not take advantage of. We are not timing our traffic signals properly in order to manage the traffic that is there. We are not worrying about the incidents. We block lanes indiscriminately and create these kind of problems that people, for the most part, view that the only solution is to keep building more and more, which is——

Mr. SANGMEISTER. When you complain to IDOT about that, do not you get any help when you tell them, "Look it, I can tell you by just going through our community, those things are not right." Do you get no——

Mr. BECKER. Yes, sir. I think that IDOT is today a lot more responsive than they were ten years ago or five years ago. I see more of a willingness—more of an ear toward understanding some of the things. I remember meetings we would have with them where comments were made by staff members that money was no object, and we built—forced us to build 12-foot lanes, forced us to buy more right-of-way when, in fact, 11-foot lanes would accommodate our needs. I think that there is a responsiveness there now. So, I think whoever has done that—whether that has come directly from Springfield or if it is the efforts in the local district—whatever it is, it is right, and I think we are moving in the right direction.

Mr. SANGMEISTER. Mayor Valy, I think you are probably aware, we happened at 7:00 a.m. in the morning. But, we finally passed the budget, and in that, there is a new five cent gas tax—federal gas tax. But, you should be aware that half of that—and I see from your statement you do not approve of that, and I do not either—but half of it is going for debt reduction. Our backs are up against the wall, too. The other half is going to go into the highway trust fund. But 20 percent of that is being—20 percent of the one-half of the two and a half cents is being set aside for mass transit because the urban areas have their problems as well. But on that top of that right now, that is is all frozen for right now, even though it is going into that particular fund. So, you know, there is not a lot of help in that particular bill. But——

Mayor Valy. Can I comment on that, George?

Mr. Sangmeister. Surely.

Mayor Valy. The Council of Mayors has been working with this Committee specifically on the new Land Transportation Act. And I guess what concerned us was through the years, we have not been able to get any money released out of the trust fund. And, I guess we kind of threw our arms up on that issue, and we proposed a five cent increase in the gas tax to try to help the infrastructure of our system with the conclusion of the interstate system. We were well aware that the rebuilt and the rehab of our current system is going to cost more than the original projects did all along. And we are quite concerned now, as you stated, with this increase in the gas tax and with that money not totally going toward the transportation whether—I mean, I am talking about all transportation, not just highways. And, we feel it is almost impossible now at this point to come again with a new Land Transportation Act and propose the five percent gas tax. I mean, you just gave—five cents—we just put a five cent on another one—would be kind of non-realistic, so I feel we have no recourse at this point, other than to go after the trust fund. I do not know where you are going to get more transportation funds because any increase at this point, I think, is not going to happen, so——

Mr. Sangmeister. Well, as I understand it, there is $17 billion in there.

Mayor Valy. Yes sir, there is.

Mr. Sangmeister. And, we will see what we can do. I know the Chairman was very concerned. We had several meetings of the Committee regarding what was going to happen to that five cents, and I know I speak for him as well that he was not happy with that either. But, when we have the debts that the Federal Government has, there had to be some cooperation, and no one—no particular area wanted to pick up the cost of that, and I did not think it ought to be in the gas tax either, but that is——

Mayor Valy. Transportation infrastructure will help the deficit.

Mr. Sangmeister. That is true. And Linda, I see in your testimony, and I know that is premature at this point, too, but we are all aware of the problem of the bridge. Do we have any—you ball parked it at pretty big numbers in there and kept a pretty big spread. Do you have any idea yet—has there been any ball park figures from your engineers as to what—better ball park, I hope, than you got in your testimony.

Ms. Lindquist. We are developing that now. The village recently approved appropriation of our contingency funding to allow an engineering study to be done of up to $15,000 with some preliminary design and cost estimates. We are still looking at the mid-range—$30 to $35 million. The problem that we have is that it not only spans the river and the shipping canal. It also spans railroad crossing. And to accommodate the height requirements of all three entities, it is going to take a high bridge. They are still looking at the $30 to $35 million.

Mr. SANGMEISTER. Although we have somebody here, I think, that is going to testify later on from the Water Reclamation Service. Yeah, Metropolitan Water, Mr. John—and sorry, I cannot pronounce that last name.

Mr. DIVITA. I am the substitute, Leo Divita.

Mr. SANGMEISTER. Okay, you will be testifying. Okay. Well, my question to her is going to be whether there has been any discussions between the two of you about the possibility of some kind of temporary repairs being made to make that bridge still serviceable. That is—maybe we better pass that question on to him at this time. Do you know whether the village has had any discussions along those lines?

Ms. LINDQUIST. Yes, we have. That was our first response. But, the—and Leo could probably expound upon it much better than I could—but, the bridge is in such a state of disrepair that the costs of repairing it, both in terms of dollars and time, is not feasible. We looked at—the bridge needs to be able to open to allow ship passage on the canal. If it were able to be left in an open or closed position, depending upon your view of it, that might be feasible. But, to allow it to swing, it is not feasible. And the early estimated costs were well over a million and a half to two million dollars and 18 months worth of time. The village took the stance that possibly, we could accommodate a new bridge in that length of time.

Mr. SANGMEISTER. Okay.

Mayor CONNOR. Congressman.

Mr. SANGMEISTER. Yes.

Mayor CONNOR. You know, I do not want to be branded an ingrate, so I do want to tell you that Joliet is very thankful for that three million dollars for the Huboldt Road Interchange. That was critical, and as you know, we are in a locality that needs development. I think that is going to really—we were promised that 25 years ago when Junior College was built, and we are finally getting it. Thank you.

Mr. SANGMEISTER. I was a little concerned in this morning's paper. I hope that that is not true that the county is having some problems and maybe reneging a little bit on——

Mayor CONNOR. I just heard that this morning, too.

Mr. SANGMEISTER. I did, too. I sure hope that is not the case. Well thank you for that.

Thanks to all of you for participating today. I think in the long run, you will find your time well spent here this morning, and I thank you personally.

The CHAIRMAN. Thank you very much.

I did have some names of some people from the Second District, and they were The Honorable David Johnson, Mayor of Harvey; Mr. John Variakojis, Director of Planning of the Metropolitan Water Reclamation District, and those three people—are any of them here? Mr. Variakojis? Mr. David Johnson?

Mr. DIVITA. I will be speaking on his behalf.

The CHAIRMAN. Okay. Why don't you come on up then. And—just the one.

Mr. SANGMEISTER. I believe these were witnesses that were requested by Congressman Savage, so I don't know——

The **Chairman**. I also had some people that were from—do you want just the one? Okay. We will catch the other one then when you get through.

Mr. **Sangmeister**. We can—why don't we take—okay. All right.

The **Chairman**. Why don't you take over, and I will be right back.

Mr. **Sangmeister**. While the Chairman is making his phone call, why do you not then identify yourself, sir.

TESTIMONY OF LEO DIVITA, CHIEF ENGINEER, METROPOLITAN WATER RECLAMATION DISTRICT

Mr. **Divita**. My name is Leo Divita. I am the Chief Engineer of the Metropolitan Water Reclamation District, and I thank Chairman Anderson and Congressman Sangmeister for permitting us to make a statement here today. I am making a statement on behalf of Commissioner Tom Fuller, who is our Chairman of Municipalities for the Metropolitan Water Reclamation District.

The area served by the Metropolitan Water Reclamation District of Greater Chicago encompasses approximately 95 percent of Cook County. This district treats wastewater of some 5.2 million people and industrial flow equal to about another 4.5 million people and includes the wastewater of some 125 villages and suburbs, plus the City of Chicago.

There are two major problems we are trying to solve in the metropolitan area from this agency's viewpoint. One is the pollution of the area's waterways. And two, is the flooding damages.

The continued major pollution source is combined sewer overflows which occur during the heavy rainstorms. Basically, there is about 600 overflow points of combined sewers to the area's waterways. The construction we have completed, plus the construction that is underway picks up about 75 percent of those overflows. So we have been working on solving the problem.

However, we estimate that about 100 times a year, it rains in this area. And the equivalent of about a million people per day of pollution reaches the area's waterways during every one of those rainfall events. So we have estimated that about 22,000 tons of organic pollution is discharged annually to the waterways as a result of these combined sewer overflows. And until we can complete the tunnel reservoir project, I do not believe we can expect the waterways to be cleaned up.

Flooding. Flooding in our area affects 550,000 homes in Chicago and 53 suburban communities, which have combined sewer systems. Of that number, 185,000 homes flood regularly and cause $150 million of annual damages. Flooding in the separate sewer areas which have both storm sewers and combined—and sanitary sewers affect some 90 million—90,000 homes at an annual cost of $20 million of damages.

So the solutions are—of course, we have talked about the tunnel program. We have about 34 miles of tunnel to be completed, with 75 miles already completed. And that will cost about $1.55 billion. Federal and state assistance is essential to complete this vital flood and pollution control program.

Other infrastructure that needs completion in the area is completing the sewer rehabilitation programs mandated by the U.S. EPA and completing what we call on-site detention programs for abating flooding. The Metropolitan Water Commission District has completed a large financial resources toward building the area's infrastructure needs. It has also provided leadership in coordinating the activities of federal, state and regional agencies in our efforts of maintaining the well-being of the residents in the area.

But much remains to be done by all concerned of these constituent agencies. I thank you for allowing us—permitting us to make this statement.

Mr. SANGMEISTER. Okay. Tell me a little bit more about the tunnel program. You say how many miles have been completed?

Mr. DIVITA. About 50 miles have been completed and are under operation. Twenty-five miles are under construction. And that will capture about some 400 of the combined sewer outfalls that now reaches the waterways and goes down to communities, just like the Mayor of Joliet referred to. Sowe still have 34 miles of tunnel to build, which has a cost of about $900 million.

Mr. SANGMEISTER. Has this been a steady program, or it is on and it is off, or has it really been——

Mr. DIVITA. It has been a steady program since 1976, except that this year is the last year of federal U.S. EPA appropriations. And yet, it still is considered, according to the federal law, illegal for combined sewer overflows to discharge into the waterways. However, the total cost of some $900 million is just too large for the residents of the metropolitan area to pick up. So we are looking toward the state and federal governments to assist us in financing. We still—we have participated to the tune of 25 percent of the cost of the project, up until now.

Mr. SANGMEISTER. And the rest has been state and federal funds?

Mr. DIVITA. State and federal funds, correct.

Mr. SANGMEISTER. There is substantial federal funds in this?

Mr. DIVITA. That is correct. There is about $1.2 billion in federal funds that have been—out of the $1.7 that is already completed.

Mr. SANGMEISTER. This tunnel is not just a holding basin, is it? What——

Mr. DIVITA. The tunnel is basically a two-part project. The first project—Phase I, we call it—it is basically a holding basin to capture the first flush, which is considered the heaviest polluted material. Then, once the tunnel itself fills up as a reservoir, which has limited capacity of about one billion gallons, then the remainder discharges directly into the waterways as it previously did. So that—Phase I which is being funded by U.S. EPA is considered a pollution control project—is, in fact, a mini-reservoir for capturing about 85 percent of the spills, which is equivalent to secondary treatment.

Mr. SANGMEISTER. So when the whole project is completed, then, there will be sufficient capacity there for——

Mr. DIVITA. To hold the total 85 percent—it will remove 85 percent of the pollutants now reaching the waterways.

Now the second phase of that project, which is the reservoir program, which is being funded by the Corps of Engineers and 25 percent by the metro district, is a reservoir at the end of the tunnel, which will capture all the excess storm water that is being discharged in the region that goes into the waterways now, which again, when the conditions exist, flood out and back up into the local sewers and also, under extreme conditions, we have to release water into Lake Michigan and pollute our water supply. Now that project has a price tag of about $400 million, but it eliminates a great deal of flooding damages in the area. And as a secondary effect will also capture an additional about 13 percent of the pollutants that now reach the waterways. So, there is a two-fold benefit from the reservoir portion of the entire program, and we are looking forward—we have got our first funding now from Congress this year for one of the reservoirs on what we call Phase II of the flood control portion. And we are excited about it and hope that Congress sees the wisdom of this project and continues to fund it.

Mr. SANGMEISTER. What can you tell me about the 135th Street Bridge?

Mr. DIVITA. The 135th Street Bridge is an unfortunate incident, but it just finally exceeded its useful life. Generally, we look at a bridge for about 50–60 years, and then we talk about total replacement. That bridge, which was built and erected in 1899, just had not had any sufficient metal on it to do any major repairs. It would call for total replacement, that is the only thing. And when one considers that the bridge itself was built during the horse and buggy days, it just does not serve any modern day uses. So what has to be replaced, in my judgment, is a major modern highway structure. Quite frankly, the metro district, its legal charge is in the wastewater business, and we felt we have maintained it substantially during—over the years, and it just exceeded now with Mother Nature taking its toll. The way you build a bridge like that today, you just would not fabricate a bridge the way it is right now. It just captures a lot of salts and pollutants and causes the interiors of all those joints to deteriorate.

And there is metal gone all over the—all over that bridge. There is no way they can make some short-term repairs on that and have the structure function. It is not in the public safety interest to try and do that.

Mr. SANGMEISTER. Well, lining out the other projects and the need for funds that you have also, is that to presume that there is nothing that can be contributed toward the new bridge from you at all?

Mr. DIVITA. I am going to duck that question because there are nine elected public officials, and I think they would certainly entertain something from the communities in the region on that.

Mr. SANGMEISTER. Pleased to hear if there might be something open for consideration on that because there is a certain——

Mr. DIVITA. I think there would be. There certainly is a lot of compassion for the constituents of that area, but we recognize that in 1890, we did separate that community in two. And I think on a statutory basis, we are not required to replace that bridge. But there is certainly a feeling that we would—we are compassionate towards their needs and possibly our Board would consider some support—financial support.

Mr. SANGMEISTER. But your engineers have looked very closely at that bridge and—because, you know, it has been a long—like you say, 90 years. All of a sudden, wham, it is closed. You know, with very little notice to the community. But certainly, safety has got to be the number one priority.

Mr. DIVITA. Safety. But I would rather than have the bad publicity from the sudden closure than I would have to see some bus—school bus or something go down there.

Mr. SANGMEISTER. No question about it. But your engineers have looked at it close enough——

Mr. DIVITA. Very close.

Mr. SANGMEISTER. There is no reasonable way to get another year's use out of that bridge while we attempt to do things here?

Mr. DIVITA. Even just to do some major replacement work would take over a year and a half or two—major replacement.

Mr. SANGMEISTER. That is all I have.

The CHAIRMAN. Let me ask, Mr. Divita, to what extent have you been able to reclaim sewerage discharges? And do you have any information on the savings due to reclaimed water? Is this a viable option, as opposed to our traditional treatment of water that goes back into the river?

Mr. DIVITA. Fortunately, Mr. Chairman, in this area, we have an excellent source of water supply in Lake Michigan, and the economics do not exist for treating the water to the level that one would want to reclaim it for other purposes. However, I may add that the tunnel and reservoir project—I do not know if the Senators and Congressmen are aware of it, but this area is limited by the Supreme Court as to how much water we take out of Lake Michigan for the purposes of water consumption and sanitary engineering.

Because of the tunnel program, the amount of water that has been allocated for potable water by the State of Illinois has been growing because we need less water now for diluting our waste. As we improve our ability to capture and treat waste in the Metropolitan Chicago Area, it releases Lake Michigan water for potable water supply for the surrounding collar suburban communities. So the regional TARP program has a side effect of benefiting the water supply for the whole region because now, we can take Lake Michigan water and bring it out to the collar suburbs and communities.

But reclaimed water is basically projects that are considered in extreme water shortage areas of the western region of our country, and we are fortunate enough to have a large body of water—potable water—like Lake Michigan here so, so far, the economics do not dictate going into the reclamation of wastewater yet.

Mr. SANGMEISTER. If the Chairman would yield for one question.

The CHAIRMAN. Yes.

Mr. SANGMEISTER. There has been an awful lot of requests, particularly from communities in my Congressional district, for allocations to use Lake Michigan water. Do you generally take a position on those requests?

Mr. DIVITA. Yes, we have supported it, and at the same time, asked for linkage support for financial contribution—financial support for the TARP program. We can recognize it is a benefit to the total region if the collar communities can get Lake Michigan allocations, and that depends on how well we are able to clean up the waterways. And the TARP program will clean up the waterways.

Mr. **Sangmeister**. What about the capacity out of Lake Michigan. Not being an engineer, obviously, you do not really know, but I mean, if more and more communities keep drawing out, that is really not a problem?

Mr. **Divita**. That is really not a problem.

Mr. **Sangmeister**. Not a problem at all?

Mr. **Divita**. Right.

Mr. **Sangmeister**. Okay. That is interesting. I did not know that.

Mr. **Divita**. It returns through evaporation and rainfall.

Mr. **Sangmeister**. That is all I have.

The **Chairman**. Well, thank you very much, Mr. Divita, for your presentation.

Did Mayor Johnson get here yet?

And the next panel—Vincent Petrini, George Edwards and Mr. Dietrich Gross. Are any of them here? Oh, good, good.

Let us see. Mr. Vincent Petrini—and you are here—I have got you as the first one here in Mrs. Jibben's place, then Mr. Edwards and Mr. Gross. Okay. You can arrange your order any way you want, but that is the way I got it down here.

TESTIMONY OF VINCENT PETRINI, REGIONAL TRANSPORTATION AUTHORITY, CHICAGO; GEORGE P. EDWARDS, INTERGOVERNMENTAL AFFAIRS OFFICER, CHICAGO TRANSIT AUTHORITY; DIETRICH M. GROSS, CHAIRMAN AND PRESIDENT, MERCURY STAINLESS CORP., WHEELING

Mr. **Petrini**. Mr. Chairman, Congressman Sangmeister, members of the Committee. Thank you for the opportunity to appear before the House Committee on Public Works and Transportation. Before I begin, let me offer an apology on behalf of our Executive Director, Laura Jibben, who was called away due to a prior commitment.

My name is Vincent Petrini, and I am the Senior Public Information Officer for the Regional Transportation Authority of Northeastern Illinois.

Before I describe the RTA's infrastructure needs in our area, I want to thank the Committee for all it has already done to build and rebuild our highways, roads, bridges and transit systems. Your Committee wrote the legislation which built the interstate highway network. You led the fight to gain federal aid for mass transit. You created and stood behind a comprehensive program to rebuild bridges carrying highways and railroads. The fact that you are here this morning holding this Committee hearing shows us that you are continuing that history of seeking ways to be part of the solution to our infrastructure problems.

The issue of infrastructure replacement that you are addressing today has a real and immediate impact on the entire RTA region. In Chicago and its suburbs, we are faced with an enormous challenge. It is a challenge that involves billions of dollars worth of reinvestment in our rail lines, buses, stations and bridges. But it is a challenge that we cannot and we will not let go ignored.

Consider the fact that mass transit in northeastern Illinois carries two and a half million people to work every business day and supplies 980 million annual trips. In the RTA system, there are 1,200 rapid transit cars and 950 commuter rail cars. There are 1,400 miles of track which run over 100-year-old bridges. There are 3,000 buses and nearly 500 CTA and Metro stations. The RTA oversees the second largest transit system in the nation and one of the oldest. Ninety-nine percent of the CTA's elevated structures are more than 75 years old. And yet, every day, millions of people depend on this system.

Those numbers, of course, are simple trivia until it comes to the time where we have to repair these assets. Then, those numbers become real. We are talking about a need of more than six billion dollars in 1987 dollars, and that would be eight billion dollars in present dollars to get the RTA system back to a standard of safety and efficiency that we all must insist upon in the next century.

We have to overcome the reluctance to provide vital funding to this kind of capital programming. We must reinvest in our existing transit system now, for we have put off making these improvements for too long.

In 1989, we took a local step in the right direction by successfully lobbying the Illinois General Assembly to raise our bonding authority by one billion dollars and to provide the financial resources to back the sale of those bonds. The implementation of this program has become the top priority of the RTA.

Over the next five years, more than one-half of our total capital program will come from local sources of revenue.

We understand that the Federal Government cannot afford to fund 80 percent of the cost of mass transit projects as it has in the past. That is why we turned to the local and state funding sources to make up a majority of the resources from our recent capital program. But even with a strong local source of funding, the Federal Government still must continue to be financial partners with us in rebuilding Chicago's transit system.

While we are attempting to cope with dwindling federal resources by increasing our local resources, we must be able to rely on continuing support from Washington. The sporadic needs of other transit agencies cannot become northeastern Illinois' problem in competing for federal funds for long-term infrastructure replacement. While we recognize the need for increased local support, we need to be able to rely on a stable stream of federal dollars to support us as we now begin to retire long-term debt.

Through this strong mix of federal, state and local resources, we have now undertaken the largest capital renovation program in our agency's history and we are just beginning to see our labor paying off.

Engineering studies are currently underway to assess the condition of CTA rapid transit lines. Stations like at Polaski Avenue on the Congress-O'Hare line are experiencing total renovation providing a safer atmosphere for riders. We are planning to rebuild major commuter rail stations. We are making progress and will continue to do so as long as we can depend upon your sustained support.

So that we may follow through in our efforts to make our transit system safe, affordable and dependable, we must be able to find a balance. The threat of lost federal dollars or fluctuating federal commitment will place us in a position that could endanger our entire program. Here, in northeastern Illinois, we have heard the messages from Washington about matching funds and local support, and we have heeded those words. Now, more than ever, we cannot afford to have our federal partner abandon us as we begin to implement the programs our system so desperately needs.

Thank you for the opportunity to talk to you this morning. We at the RTA are looking forward to working with you, the members of this Committee, on challenges related to the infrastructure at the RTA, and we welcome your continued partnership in the future. Thank you.

The CHAIRMAN. Thank you Mr. Petrini.

Mr. Edwards.

[The prepared statement of Mr. Petrini appears on p. 2117.]

Mr. EDWARDS. Good morning Chairman Anderson and Congressman Sangmeister. I am George Edwards, Intergovernmental Affairs Officer of the Chicago Transit Union. I want to thank you for inviting me to testify on the CTA's infrastructure needs.

Public transportation is essential to Chicago's vitality and prosperity. This fact prompted the business community at the turn of the century to build Chicago's rapid transit system. It spurred another generation of these individuals to establish bus service in the 1920s, and it supported decisions made from the 1940s onward to spend public funds for construction of a subway network beneath the downtown area and to extend rapid transit service to outer perimeters of the city. Today, our challenge may be less glamorous, but equally essential, and that is we must maintain the transit infrastructure which is so important to our region.

Today, with gas prices at near record highs and air pollution remains an unsolved problem in our metropolitan region. The availability of convenient, reliable, affordable public transportation is more important than ever.

The Chicago Transit Authority operates the second largest public transportation system in North America. Our service area covers more than 220 square miles, composing the City of Chicago and 37 adjacent suburbs and includes a population of approximately three million. Weekday riding totals approximately two million trips. These trips are predominantly—and that is about 70 percent—trips to and from downtown, the economic center of the CTA's service area.

To provide this essential mobility, CTA operates 2,218 buses on 132 routes covering over 2,100 miles. CTA also operates a rapid transit system consisting of 1,200 rapid transit cars which travel 97.9 miles on six routes with 143 stations.

These assets have a total replacement value of nine billion dollars—that is 1987 dollars. This estimate includes $5.3 billion for track and structures, $1.7 billion for rolling stock, $655 million for bus and rail support.

To keep this aging infrastructure in good working condition, CTA should spend approximately $400 million each year, according to two independent engineering surveys. Compare this to projected capital fund available of about $200 million per year from all sources, and you can see that this translates into just about a 50 percent shortfall.

Recognizing the magnitude of CTA's capital requirements, the Illinois General Assembly in 1989 enacted a program that will provide nearly 800 million new dollars for transit rehabilitation in northeast Illinois over the next five years. Despite increased local participation in transit capital funding, however, CTA still faces the substantial funding gap of $200 million per year. If additional funding is not forthcoming, the Chicago Transit Authority will face very difficult choices. Some may, in fact, require the partial dismantlement of its infrastructure. This would displace riders who in many instances rely upon the CTA for their sole means of transportation. Our needs are as follows:

The Chicago Transit Authority's 97.9 miles of track and structure run above and below and at ground level. Track and structure renewal is a high priority, but the rate of deterioration far outstrips our present ability to renew it. The Chicago Transit Authority must undertake a major structural replacement plan over the next ten years at a cost of up to $230 million annually. This priority alone requires more money than is currently available.

An adequate rail and bus vehicle replacement program requires an average annual expenditure of $84 million.

Many of our buses and rail support facilities need varying degrees of rehabilitation or replacement. For example, the Limits Bus Garage is 78 years old. It needs to be replaced due to general deterioration of architectural, structural and mechanical systems. Our major rail car overhaul facility, the Skokie Shop, is 60 years old. This aging facility needs immediate rehabilitation to provide adequate space and proper equipment for the maintenance of new sophisticated rail equipment. We also have ten rail terminals with yards and service shops. The oldest of these is the 61st Street shop, which was built in 1898.

To keep up with our need to reconstruct or build new bus and rail storage and maintenance facilities, our average annual need is $26 million.

Besides replacing bus garages and terminals themselves, there is the need to replace and/or maintain vehicle maintenance equipment. The cost of keeping the equipment in good working order is $15 million per year.

The recently enacted Americans with Disabilities Act will add capital costs. Future bus procurements will cost approximately $18,000 more per bus because of wheelchair lifts. Renovation of key rapid transit stations must now be completed within 20—in some cases, 30 years—and must include retrofitting for complete accessibility. This project alone will cost an estimated $180 million, or $9 million per year.

We have not had an opportunity to adequately analyze the Clean Air Act, recently passed by Congress. Based on our tracking and monitoring of it, though, it does seem that our worst fears have been avoided. If legislation can drive the technology, we should be able to meet these—the Clean Air standards at a reasonable cost. But reasonable cost is something like beauty, it is often in the eyes of the beholder, and our reasonable, when you have nothing, creates a problem.

As CTA plans for the future, we will continue to look to the Federal Government for substantial assistance. First of all, of course, we will seek direct funding and more of it. Federal appropriation levels over the past ten years have put CTA on a starvation diet. We have done our best with available funds, but we can no longer defer the inevitable—a massive overhaul of our existing infrastructure is essential to our continued viability on our current scale. Avoiding the investment simply shifts the cost of upgrading transit to the costs of upgrading and expanding already overcrowded roadways.

Second, we will look to the Federal Government for new policies governing the use of direct funding. Our current transportation policies favor compartmentalization—highway programs and transit programs each stand alone in the statutory authorization, annual appropriations and program administration. As a result of this compartmentalization, local transportation planners have little flexibility to program available funds to achieve the overall goal of improving personal mobility in the Chicago region.

Congressman Lipinski has proposed an innovative answer to the problem of this compartmentalization—the comprehensive urban transportation program. We are impressed with this as a first step, and we intend to be working closely with the Congressman and with the gentlemen and ladies of this Committee in the future on this legislation.

Once again, I thank you for the opportunity to be with you this morning and look forward to working with you in the future. Thank you.

The CHAIRMAN. Thank you, Mr. Edwards.

Mr. Gross.

Mr. GROSS. Senator Anderson, Congressman Sangmeister. My name is Dietrich Gross. I am the Chairman and President of Mercury Stainless, and I was invited by Congressman Lipinski to address road construction deficiencies.

We have all been delayed uncountable times in our travels on American highways due to bottlenecks developing because of road construction. Our decaying highway system seems to make road construction and repairs ever more necessary, and the irritation of drivers and passengers keeps growing and growing.

We are here today to discuss with you possible remedies to this ongoing situation, and I want to present to you a solution that the German government found to be very helpful during the 1960s and 1970s. During this period of time, Germany's highways consisted mostly of two lanes, plus one emergency parking lane, for a total of three lanes in either direction. The German government ordered from the German steel manufacturer, Krupp, steel decks to bypass the area under construction. The steel deck was constructed in such a fashion to use the two lanes plus one parking lane as a base for a steel deck of four lanes, laid out to allow continuing traffic on two lanes in both directions. The traffic flow was slowed down somewhat because the individual lanes were somewhat narrower. Nevertheless, the result was a continuing good flowing traffic pattern which avoided the backup and gridlock.

Today in Germany, most highways have been converted to three lanes plus one, and for those highways, the steel deck is not necessary any more. However, residual areas of two lane traffic are still in use and also under repair. And from what I understand, the next time a steel deck will be used will be early in 1991 in the area of Munich.

The usefulness of the steel deck was calculated in Germany in the following fashion:

If we have a car density of 10,000 cars per hour on any given highway and the traffic approaches a road construction area, delays of up to 30 minutes are not uncommon. In an eight-hour day with a 30-minute delay per car, to a density of 10,000 cars, we are looking at a total of 40,000 lost hours. In those 40,000 hours, we would estimate that an additional 100,000 gallons of fuel were burned and at an earnings rate of $10 per hour for each passenger, we look at an income loss of $400,000, for a total of $500,000 per day between the passengers' earnings and the 100,000 gallons of fuel.

Intangibles have to be added to such—to that, such as wear and tear on the car, lost connections to airline schedules, delays to reach hospital emergency rooms, delays on missed meetings, not to forget possible accidents, et cetera. The question arises, how many of these traffic delays do we have on each given day in every state of the union? If we assume that we have three heavy construction sites in each state, then we are looking at one and a half million dollars times 50 states, or a total of $75 million a day, or $2.7 billion annually to be the economic impact of traffic delays in our country.

To use a steel deck is not inexpensive. The price, obviously, depends on length and width of the deck that is used. Let us assume we are looking at 1,000 feet with four lanes, two lanes in either direction, for a total lane width of 48 feet, with an average lane width of 12 feet. Then we are looking at 40,000 square feet. The price tag of such a deck would be between $8 to $9 million, and that is a German price tag, which is about ten years old. I have had no opportunity to look into American efficiencies which probably bring the price down substantially. This segment is reusable and can be repaired and moved to the construction site fairly easy. One or two steel decks could service an entire state for a long period of time.

To offset the cost of such steel decks, you might look at an increase in the license plate fee or the sticker price of $2 each. With such a remedy, we could avoid many of the endless delays that we are presently enduring and guarantee more even traffic flow very much for the benefit of the driving public.

I have added to this speech copies of an English translation giving a brief description of the deck's usefulness for your consideration.

I want to thank you for your attention and hope that the solution which I am offering would find your approval. I recognize that this solution might be only one of several which you are considering. However, it has been proven to be very useful in Germany and might prove to be equally practical in our country.

As a final note to these remarks, I might add that the German government has about 6,000 running feet of steel deck available, and to the best of my knowledge, would be agreeable to sell a portion to the United States in case we find an interested party who wants to try out this method of bottleneck prevention before it is decided to develop a road program incorporating steel decks in individual states or beyond. Thank you very much.

[The prepared statement of Mr. Gross appears on p. 2089.]

The CHAIRMAN. Thank you, Mr. Gross. Mr. Gross, have you brought these steel decks to the attention of the State Highway Department?

Mr. GROSS. Not yet.

The CHAIRMAN. Not yet. I would also—also, Mr. Edwards, you touched a little bit upon costs of the clean air. I had a question. As you consider the cost involved to solve the transportation problems of the region, including the cost of complying with the mandates of the Americans with Disabilities Act—that is a legislation we passed—and the Clean Air legislation, how do you see the financial burden being shared by the federal, the state and the local governments?

Mr. EDWARDS. How do I see it as being shared? Right at this point, I do not think it is being shared. Without—we have not—the regulations on the ADA have not come out yet. We really have not had a chance to analyze the Clean Air legislation yet. These are all factors that—the dollar amounts, we just have not been able to get a grip on it. I do not know what the Federal Government can do. It seemed very willing to put the mandates there without a source of revenue for it. Realistically, we do not know what is available at this time. We do not know what the Federal Government can do.

What would I like them to do? I would like at least a reasonable sharing of the cost. But, where is the money going to come from?

The CHAIRMAN. That is a problem we always have to figure out. I know—part of my district is Long Beach, California, and we had a problem on the Americans with Disabilities Act. But we also have a lot of people down there who felt that we should give them proper treatment, and we did. And now, we find that it is paying for it—almost paying for itself. The increased amount of use by having lifts and things on it so disabled can be taken care of. And I think almost each—you almost have to kind of figure how things are going in your district, in your state or however it is.

I know a moment ago, the other panel mentioned the issue of tolls. And 25 years ago, I was Chairman of the Toll Bridge Authority in California, and I was Chairman of that for eight years. And it is kind of a funny issue. We know people do not like them. But we also know that the people do like them. It just depends on how you read them—how you look at it. I happened to build one of my toll bridges in my area. It—we collected enough money so it has totally paid for itself 100 percent plus. We felt, "Well, let us not charge tolls any more." But the people said, "Let us just make it toll free one way." So if you go to the east, it is free. If you go to the west, it costs two bits, or whatever it is. And yet, we have done some checking and found that the people who pay—who do not go free, almost all of them come back and pay. All they do is have to drive a half a mile up and they could miss it. But they, apparently—and we are making money. And we do not need it any more because the bridge is built. But we are just sending money up to Sacramento, and the people down there do not even want to stop that. Frankly, I would like to see it stopped, but the people down there do not.

So it is kind of hard to know how—and somebody mentioned a moment ago that we did allow seven states to collect tolls. You know, every state used to have tolls. And then, we got this feeling against it nationwide well, we should not have toll roads. I know it was pretty strong in California we pretty well eliminated them, except that we notice now that different areas want to have tolls for certain things. And matter of fact, I had one in my area, which is kind of out in the country, but they wanted to develop the area. And they said one of the ways to get federal money, you have got to have matching funds. And so, they got permission to put up two toll roads to collect money to raise matching money so they could participate in the state and the federal government and pick up their local share that way. And we find little variations all over the country. And I suppose that is something you have to look at, but you know, that is—you make the decision the way you want it.

And, somebody asked, how did the seven states—we permitted seven states—we first had them apply to us. And then, we turned it over to the Secretary of Transportation to kind of check in this. And then they gave it to us, and I was the author of the bill that took the seven states in, and I included my own state, but I limited them to two tolls down in that area where they wanted to raise the money to raise the matching money. And so it is something that I think—there was a time that every place you went, there were toll roads seemingly. And then we abolished them, everybody got tired of them. Now, there is a kind of a sentiment, let us charge them toll because you can collect the money fairly easy.

I am not supposed to do the talking here. I talked too much that time. Any of these that I did not—I think I will let you do it, rather than my doing this one here. Mr. Sangmeister.

Mr. SANGMEISTER. Can you refresh my recollection? It has been awhile since I have been in the L.A. General Assembly. Of course, when the RTA was constructed—was it 1972, 1974—I forget what it was. It was a very controversial thing, particularly in the area that I represent, Will County, at that time. I know subsequent to that time, we got that quarter cent sales tax. Is that quarter cent that is collected in the collar counties—is that segregated for mass transit facilities in the collar counties, or is that taking into the RTA in their general funds and used accordingly?

Mr. PETRINI. Yeah. In 1983, Congressman, as you realize, the RTA was reorganized and that was when we saw the implementation of the sales tax, including the quarter cent sales tax in the collar counties. That is matched by a one cent sales tax in the city and in Cook County. And what that—those funds come together in a pool, and the Regional Transportation Authority allocates those sales tax funds, which is approximately presently $400 million a year, 40 percent of our operating costs, to the service boards, the Chicago Transit Authority, Metro Commuter Rail and PACE and for new projects. So, they are not specifically spent in the collar counties that they are collected in, but they are used for regional projects.

Mr. **SANGMEISTER**. Okay, so you do not take the one cent and set it aside for the CTA and the other?

Mr. **PETRINI**. Right.

Mr. **SANGMEISTER**. But, did you say proportionately, it works out fairly well from the sources that it is being collected because that has always been a problem?

Mr. **PETRINI**. Right.

Mr. **SANGMEISTER**. Pretty close.

Mr. **PETRINI**. Yeah. We will always have arguments——

Mr. **SANGMEISTER**. I hate to pin you down on that but I was just kind of curious as to how that was being done.

Mr. Edwards, you need a lot of money. You have got a lot of problems. And I guess the Congress apparently did not help it too much with the American Disabilities Act, but it is something, as the Chairman has indicated, that we all felt its time had come, and I guess we are going to have to obviously help you in financing a good portion of that. What about the CTA overhead? You know, just a person going into the city and looking? You know, first place, I might say to you and it is probably for good reason, they look like they are going to fall down. I am sure they are not.

Mr. **EDWARDS**. No, they are a long way from falling.

Mr. **SANGMEISTER**. But you know, we talk in the Congress about what are called mag lev, you know, and fast rail and all that. Is that applicable at all to an inner city transportation system like the CTA, or is that only strictly for long-shot rail?

Mr. **EDWARDS**. It is my understanding that is more of a long haul type thing. And I do not know if it would be possible within a dense urban area to use the maglev.

Mr. **SANGMEISTER**. Okay. Is there any—I mean, what eventually—obviously, as you indicated in your written testimony and your oral, that these things are all wearing out. Is it the program for the CTA to just rebuild all those bridges? Is there any—for the so-called loop downtown, is there any thought about bringing that down to ground level? I do not know why you would probably want to do that, but——

Mr. **EDWARDS**. For the foreseeable future, I think we are going to—we will probably keep investing in the EL. I think also there is the downtown circulator that will probably alleviate some of the problem in the downtown loop type area.

Mr. **SANGMEISTER**. We got into a discussion, and Congressman Lipinski, who could not be here today, was in the forefront of trying to amend the American Disabilities Act to the standpoint of making it a little more palatable for you, which did not succeed. But when—because I forget just how it was—if you know, when do you have to start making provisions on those cars—by what year or what—do you remember off-hand exactly what the Act——

Mr. **EDWARDS**. I think you are thinking more of the METRA issue.

Mr. **SANGMEISTER**. That is true. That is right. Yes, you are right. I am sorry. You are right.

Mr. **EDWARDS**. Our primary concern——

Mr. **Sangmeister**. How does that relate to your operation? It is METRA that I am thinking of, you are right.

Mr. **Edwards**. We will be able to comply with the accessibility to the cars. Once again, I hate using the term "reasonable expense" when you are in a position like us. What is reasonable? Our primary concern revolves around key stations in that loop area where you have subways and the EL which stops at almost every corner, where you get into making those accessible. If we had to make every one of them accessible, it would just be astronomical. Thanks to the Committee's help, we were able to get that within the bill report there are distances of recommendation—recommended that will help that. Those are very, very expensive projects, as you can well imagine. But I think that Chairman Anderson's point, can you attract a ridership that will make up for it? Maybe you can in the long run, but I just—it would be an awful long-term project to do that.

Mr. **Sangmeister**. Well, there is a lot of people out there that feel a whole new horizon is going to open for them, and we certainly hope it does.

Mr. **Edwards**. Oh, we certainly hope so, too.

Mr. **Sangmeister**. And we certainly hope they use it, and I know you do, too.

Mr. **Edwards**. Sure.

Mr. **Sangmeister**. Well, only the future will tell us that.

Mr. Gross, I have never heard of this concept before. What you are talking about is a temporary steel structure to carry motor vehicles while a certain section of a road is being repaired? That is what we are——

Mr. **Gross**. That is correct.

Mr. **Sangmeister**. How adaptable—you indicate that this is reusable. The state could purchase one or two of those and reuse it.

Mr. **Gross**. Yes.

Mr. **Sangmeister**. Well, some roads that are being repaired curve, some are straight, some are two-lane, some are four-lane—I mean, how does this all adapt out?

Mr. **Gross**. It can be dismantled and trucked to the next location, or there can be an ongoing construction on one side of the highway, while the other side of the highway is covered with a four-lane road that is going on as the highway is being repaired. You have attached to this testimony here some pictorial explanation as to how——

Mr. **Sangmeister**. Oh, I did not see that.

Mr. **Gross** [continuing]. The highway works, when it is fully dismantled or when it is fully laid out. And it shows you how easy it is to transport these segments from place to place. There is a reasonable—there is a reasonably short period of time.

Mr. **Sangmeister**. Could you give us an estimate, if you were to go to a location and going to set up the temporary highway. How long does it take to get it in place approximately—a week, two weeks, a month, two months?

Mr. **Gross**. It is almost no more than 48 hours to pick it up.

Mr. **Sangmeister**. Forty-eight hours?

Mr. **Gross**. Yes. And bring it to the next location.

Mr. **Sangmeister**. That is an interesting concept. I thank you. I have not seen that before. I do not know whether anyone else has or not, but I think the suggestion—that you ought to be talking to the State of Illinois Department of Transportation. This is maybe something that has some merit to it.

That is all the questions I have, Mr. Chairman.

The **Chairman**. I have not seen it used very much, except I was in New York about ten days ago. I see they are doing it on their bridges. Almost every one has got the steel top. Several of them. They just bring it in and move it and fix it and then move it to some place else, and they do it pretty quick. So if you have not seen it, you can go up there and see what they are doing.

Mr. **Sangmeister**. Interesting. You learn something every day, as they say.

Mr. **Gross**. There you go.

The **Chairman**. I thank you very, very much, and we will invite our last panel. Again we have witnesses from Congressman Sangmeister's 4th District. Mr. Peter Waldock, Planner for the Village of Plainfield; the Honorable Robert C. Stefaniak, Mayor of Calumet City; and Ms. Barbara F. Sloan, Transportation Planner for the South Suburban Mayors and Managers Association. And then additional, I would like to invite Mr. Wayne Jackson from Mayor Johnson's office in Harvey, Illinois. You can do it that way. You can choose your own—one, two, three four. I have down here Waldock, Stefaniak, Sloan and Jackson. So that is one order, but you can reverse it as far as I am concerned. Okay.

TESTIMONY OF PETER J. WALDOCK, PLANNER, VILLAGE OF PLAINFIELD; HON. ROBERT C. STEFANIAK, MAYOR, CALUMET CITY; BARBARA F. SLOAN, TRANSPORTATION PLANNER FOR THE SOUTH SUBURBAN MAYORS & MANAGERS ASSOCIATION; WAYNE JACKSON FOR HON. DAVID N. JOHNSON, MAYOR OF HARVEY, IL

Mr. **Waldock**. Thank you, Chairman Anderson. Representative Sangmeister, Committee members. On behalf of the Village of Plainfield and the Village President, Mary Latta, I wish to express my thanks for the opportunity to provide testimony before this Committee.

The deterioration of public infrastructure is a serious concern which must be addressed at all levels of government. Only through a concerted effort can progress be made in rebuilding and maintaining existing public infrastructure upon which we will depend.

To best explain the conditions of local infrastructure in Plainfield, allow me to provide a brief background of our community. The Village of Plainfield is Will County's oldest community. Established in 1829, Plainfield predates the formation of the County itself. The neighborhoods of the central core area of the village are filled with historic churches, homes and businesses. Transportation systems such as the Elgin, Joliet and Eastern Railroad, the Lincoln Highway and U.S. Route 66 originally helped spur development in our community.

Today, Plainfield, is a rapidly growing community of about 5,000 people. The new residential subdivisions are being developed to the north, south, east and west. Road systems, such as Illinois Route 59 and 126, U.S. Route 30 and Interstate 55 serve our community. The EJ&E Railroad continues to provide rail services via two lines through the village.

In a village such as Plainfield, financial resources are limited. While private funds by developers provide capital to install infrastructure in new subdivision developments, local funding is required for maintenance and repair of all systems. Costs are also—are incurred when updating infrastructure to meet ever-increasing state and federal regulations for water quality and environmental protection.

As a result of Plainfield's mixture of old and new development, local infrastructure has a broad range of needs. Older neighborhoods still are served with two-inch and four-inch water mains. Water towers are aging and are in need of major maintenance procedures. Some combined sanitary and storm sewer lines are still in operation. Problems resulting from storm water inflow and infiltration must be resolved. Several local streets are without curbs and gutters and storm sewer systems. In some areas, streets are narrow, having been built prior to modern transportation methods.

The EJ&E railroad viaduct over Illinois Route 59 is dangerously narrow, making it difficult for two trucks to pass in opposite directions simultaneously. The viaduct also experiences flooding during heavy rains. Funding has not been available for the needed improvements. Route 59 is a major regional highway serving over 20,000 vehicles daily.

Plainfield is not alone in its need for infrastructure upgrades. The burden on local government is too great to bear alone. For this reason, assistance from federal and state levels is required to meet our community needs.

Again, I wish to thank you for this opportunity to express our concerns.

[The prepared statement of Mr. Waldock appears on p. 2131.]

Mayor STEFANIAK. Chairman Anderson, Congressman Sangmeister. The City of Calumet City is in an ever-ending effort to upgrade and rehabilitate its sewer, water and roadway utilities. Calumet City was initially developed on a street-by-street expansion, whereby as development occurred, sewer, water and roadway improvements were extended to accommodate new growth. As time went on, the system utilities aged, became deteriorated and in need of repair. Calumet City now faces a major crisis in the rehab of its underground and roadway utilities. We have spent over $10 million in storm sewer improvements and approximately five million dollars in street improvements and repaving within the last few years to keep abreast of utility deterioration. But the funds are not enough to take care of the 100 miles of streets, sewer and water mains the city has to maintain.

The major improvements that require immediate attention are two-fold.

Roadway improvements: 156th Street, 156th Place from Burnham Avenue to the state line are considered two of the oldest streets within the city. They were built in the early 1900s with materials and construction methods that were then considered state-of-the-art. Throughout the years, the streets have deteriorated to a point where repairs are becoming very difficult and not cost-effective. Both streets are faced with collapsing sewers, water main breakage and pavement failure on a regular basis. It is not uncommon to excavate a portion of the roadway to repair what appears to be a small sewer break and find that 20 to 50 feet of sewer needs to be replaced because of its crumbling condition. The same situation holds true for the water main due to age and brittleness. Furthermore, cast iron and galvanized mains no longer recommended for modern day designs break due to stresses of age.

The solution to the problem requires total reconstruction of the roadways. This means the entire roadway surface, including blacktop, concrete curbs, gutters, sidewalks need to be removed along the below-ground water mains and sewers. New ductile iron water mains and concrete sewers are needed. New catch basins, valve vaults and manholes are required. Once complete, the roadways are completely renovated and will devote decades of consistent service to the community. The estimated project cost, including construction and engineering for these two roadway improvements, is $2,277,166.

Improvement Number 2. Flooding in Calumet City has been a continuing problem. The city has addressed flooding in various wards and has spent over $10 million in the resolution of the problems at various locations. However, the flooding continues at other locations. The improvement I speak of has not yet been solved due to the funding plight that Calumet City has. The residents of these wards have suffered phenomenal tragedies of personal property destruction because of our financial inability to solve the flooding. Bids were taken over one year ago to determine the project costs of $2,571,387, but no action was ever taken on these bids. Plans, specifications and bid documents for these two projects are complete and await funding.

Complete specifications and engineering studies on these recommended infrastructure improvements have been submitted to this Committee under separate cover.

Thank you for the opportunity of presenting this testimony before the Committee. I may add, the total cost of both projects is $4,848,553. Thank you.

[Data on additional infrastructure improvements in Calumet City appears on p. 2187.]

The CHAIRMAN. Thank you, Mr. Mayor.

Ms. Barbara Sloan.

Ms. SLOAN. Thank you, Mr. Chairman and Congressman Sangmeister. I am here today representing South Suburban Mayors and Managers Association. Our Association is a multi-municipal organization representing 39 municipalities in southern Cook and eastern Will Counties. As such, the Metropolitan Planning Organization for Northeastern Illinois has designated our Association the Regional Council for this area, responsible for the review, evaluation and recommendations regarding transportation projects of all modes in the southern suburbs of the Chicago Region.

I am pleased to have the opportunity to testify at this hearing of the Committee on Public Works and Transportation regarding the rebuilding of infrastructure in our nation. The Transportation Committee of South Suburban Mayors and Managers Association is particularly interested in the new surface transportation legislation and has been active in following its progress through our involvement with the Chicago Area Transportation Study. On behalf of the Transportation Committee, I wish to convey to you some of the issues which concern our Association regarding the upcoming legislation.

Since the mid 1950s, the major focus of surface transportation in the United States has been the interstate highway system. With that system very near completion, it is time to redirect our focus toward a transportation problem of a somewhat different nature: mobility in our urban areas. If left unaddressed, the problem of urban congestion may reach proportions which could bring our major metropolitan areas to a crawl, thus threatening our national economic vitality. The new Surface Transportation legislation should be directed toward the solution of this problem. An increased proportion of federal funding should be provided to our nation's urban areas for the purpose of relieving this congestion.

In regard to the Federal Aid Urban Highway Program, our Association is very supportive of the continuation of this concept in the new legislation. This program has been extremely successful in the south suburbs as it has been in the entire Chicago Metropolitan Region since its inception. We strongly encourage the continuation of this program or one very similar to it in which local elected officials have the ability to select and program highway projects on a designated system of roadways which includes those under local jurisdiction. Through this mechanism, priority funding may be identified at the local level in the context of regional planning. Local government is assured a role in maintaining and developing the urban transportation infrastructure. As is currently the case, the program should continue to function as a pass-through process in which a portion of federal dollars goes directly to the local level. A maximum federal share of the funding split should be specified, but with an overmatch provision, as in current legislation.

Finally, there is certainly no public works or transportation issue more vital to the Chicago Metropolitan Regional area, including northeastern Illinois and northwestern Indiana, than the construction of a supplemental commercial airport. Due to the fact that the Chicago region is such a critical center of air traffic for the entire nation, the successful development of a supplemental airport in the shortest time possible is also important to the nation as a whole.

We certainly appreciate the support of the members of this Committee for the ongoing bi-state study process which began one year ago and which is scheduled to be completed next October. It is our expectation that the conclusion of the site selection phase of this process will produce the best site for the region as a whole.

The consulting team, in cooperation with the states of Illinois and Indiana, the City of Chicago, the FAA and the other federal, state and local agencies, is made up of extremely qualified experts. We believe that if the technical process remains fair and in compliance with all laws and regulations, with a minimum amount of partisan politics and subregional parochialism, the best site will emerge.

We ask your assistance and that of the entire Congress to help our region accomplish these goals through: One, your continued interest in the process, assuring that it remains a technically fair one; two, continued funding for the site selection and master plan phases of the process, and; three, once the region and the FAA come to a consensus on the preferred site, we request adequate federal assistance to commence land acquisition, airport construction funds and funds to build the necessary highway and mass transit infrastructure to support this new airport.

Together, we have a unique opportunity to construct an airport for the 21st century to serve the Greater Chicago Metropolitan region and, indeed, to serve the nation.

On behalf of the Transportation Committee and the entire membership of South Suburban Mayors and Managers Association, I wish to emphasize the importance of the above items being addressed in any upcoming transportation legislation. We at the local level are depending on the sound judgment of your Committee to create a new transportation program which will enable our nation to retain its economic prominence through an efficient and well-maintained transportation network. Thank you.

The CHAIRMAN. Mr. Jackson.

[The prepared statement of Ms. Sloan appears on p. 2121.]

Mr. JACKSON. Thank you. Good morning, Chairman Anderson and Congressman Sangmeister. On behalf of Mayor David Johnson, I would like to convey his apologies for not being able to make it here this morning.

The City of Harvey is a mature suburban community with a variety of infrastructure needs. The City of Harvey has a population of approximately 35,810 persons, according to the 1980 Census. Located in suburban Cook County, Harvey is approximately ten miles from Chicago and 16 miles from the Chicago Loop. The City has moderately dense residential land use, a stabilized industrial base and viable commercial corridors and industry because of its infrastructure, as well as county and state roadway and interstate highway access. However, today more than ever, its continued economic survival and progress depends on its aging infrastructure, which in the past, has been one of the City's greatest assets.

Incorporated in 1891, Harvey is a home rule unit. Historically, the City has been a transportation, business, commerce and industrial hub for the south suburbs. The City's most developed commercial corridors have been the Halsted Street area, the 154th Street area, Central Business District, Dixie Highway and 147th Street, Sibley Boulevard. The Halsted Street Highway commercial corridor near Interstate 80 has done well with newly constructed commercial buildings being built over the past three years. Some of the other commercial corridors have not done as well because of older obsolete commercial facilities and infrastructure, as well as competition from new commercial and industrial properties in the region.

The City of Harvey has listed an estimated cost for 5-year infrastructure improvement plan. This plan would include the following improvements and amounts: $50 million for rebuilding the underpass and viaduct at U.S. Route 6, which needs to be widened to four lanes because of traffic congestion; $1,912,000 for storm and sanitary sewer rehabilitation city-wide; $17,500,000 for storm sewer construction through existing residential, commercial and industrial areas. This will improve existing drainage and make additional residential and industrial areas economically viable for development; $3,875,000 for street rehabilitation and resurfacing which will provide for the reconditioning of existing streets; $2,380,000 for sidewalk, curb and gutter replacement and installation citywide; $4,925,000 for new parks and equipment to provide recreational services to underserved areas and replace facilities and equipment; $572,000 for removal and replacement of water line valves; $675,000 for water main replacements citywide; $978,000 for street and thoroughfare lighting for commercial and residential areas with traffic hazards; $1,600,000 for new sanitary sewer extensions into existing residential areas with septic tanks and services to developable lots; $3,700,000 to upgrade of Illinois Route 1, consisting of widening, resurfacing, adding turning lanes and traffic signal modernization. Also enclosing storm water collection providing for curbs and gutters. Because of increasing traffic volumes over the years and the lack of left turn lanes, all intersections within a 12-block area have reported higher traffic accidents and fatalities. This plan—this was planned improvement by the—this was a planned improvement by the State of Illinois Department of Transportation. However, in recent years, many of the projects planned by the State Department of Transportation have been continuously moved back in programming year or deleted because of funding constraints; $200—$2,000—I mean, sorry, $2,500,000 for school district major renovation and construction for some of our aging schools; $54,000 for acquisition and construction for additional parking for the city's municipal center building; $100,000 for municipal center building requires construction of an elevator and renovation of restrooms to make it handicap accessible.

The total for these projects on a 5-year plan is $90,771,000. The above estimate of infrastructure improvements represent the estimated total cost of five-year capital improvement plan to address most of the City of Harvey's current and anticipated needs.

That concludes my testimony. And again, on behalf of Mayor Johnson and the City of Harvey, thank you for the opportunity to be here.

[The prepared statement of Mr. Jackson appears on p. 2107.]

The **Chairman**. Thank you, and we appreciate having the benefit of your remarks.

Now, in order to bring new industry or provide for expansion of existing industry, it often requires beefing up existing infrastructure. Are potential new businesses coming to look at your communities with some kind of an infrastructure shopping list, and have you been able to respond to their requests? Do any of you want to answer?

Mayor **Stefaniak**. Yes, the City of Calumet City, as I indicated in my earlier testimony, has spent approximately $15 million for the past 12 to 13 years on infrastructure improvements. I think that when a major economic development comes into a community, they take into consideration all of those positives and negatives which confront the local community only because from the standpoint they do not wish to be coming in and be burdened with additional real estate taxes to have to improve on these things. So yes, very definitely, we have addressed those situations in Calumet City.

The **Chairman**. Well, what are some of the financing techniques that communities such as yours consider in order to meet these capital spending needs?

Mayor **Stefaniak**. Well, what we have, we have an economic person who deals directly with these businesses. We have districts we are currently looking at. We have enterprise zones, which we have been extremely successful with. I do not have the exact numbers, but the numbers are somewhere like approximately $400 to $500 million in new businesses. Now I think we have to understand that with the enterprise zone, we will not receive any tax benefits for the first ten years. The same as some of our school districts have gone along with. But these are some of the major things which we do to encourage business, and we currently have a substantial amount of economic programs on the table in the City of Calumet City.

The **Chairman**. Well given the difficulties that you are coping with, what do you see as the most critical infrastructure need that could be an incentive to attract new industry, and where do you think your greatest help should be coming from—the state, the Federal Government——

Mayor **Stefaniak**. I think it should be coming from——

The **Chairman**. Or perhaps even the private sector.

Mayor **Stefaniak**. It should be coming from a combination of both. I think the residents of our community, as indicated by our previous bonding ability, receive approximately one-half million dollars a year from CDBG funding. This goes for residential rehab of about $150,000 and $350,000 for updating our sewers and things of that nature. So we have really—the people of Calumet City—paid more than their fair share to continuously upgrade our infrastructure and our systems, and we are looking to the federal and state governments for additional revenue to keep these systems upgraded.

Mr. **Waldock**. If I might also comment on that particular issue. We in Plainfield use private funds primarily for our infrastructure growth at this time. But we are also in a competitive market. It is sometimes not realized, I guess, that municipalities compete against one another for businesses and for growth and development. But we in Plainfield are in a competitive area in Will County. And it is not adequate any more just to depend on private dollars for our growth because a developer can go elsewhere. The community, obviously, is going to benefit from the tax revenues generated by industrial and commercial entities, as well as all types of development. That is where the other funding sources are going to be significantly important, especially to the smaller communities, such as Plainfield, which cannot adequately compete with larger neighbors.

Ms. **Sloan**. If I might answer that from a somewhat regional perspective. I think that we have found through a number of economic development studies that we have done in the past few years that the major deterrent for economic development in the south suburbs in general is the lack of a third airport in our area. And we feel that this is going to bring—this will be the one thing that will bring economic development and everything else that goes with it.

The **Chairman**. Mr. Sangmeister.

Mr. **Sangmeister**. Yes, thank you, Mr. Chairman.

Mr. Waldock, for years and I have driven under it many times, that viaduct on 59, you wonder whether two cars are going to be able to pass underneath there, and it has been that way and that road carries a tremendous amount of traffic. Has there been any discussion with the village at all with the EJ&E Railroad—that is the EJ&E that goes over, is not it?

Mr. **Waldock**. Yes, that is correct.

Mr. **Sangmeister**. Yeah. Has there been any discussion with them at all as to any kind of a cost sharing on that, or is their position is hey, our railroad is there. The bridge is there. It is going to be somebody else's problem that you are going to have to change it.

Mr. **Waldock**. Basically, the village has been looking to the Department of Transportation for—as the primary funding source and design source for that improvement. It is a part of Illinois Route 59, as you are aware. But it is a significant thoroughfare through our area, and I think it would be worthwhile for the village to consider putting some money into the kitty, if you will on those funding improvements. The——

Mr. **Sangmeister**. But you really do not think the railroad would contribute a dime, huh?

Mr. **Waldock**. The railroad has not been a part of the funding picture, to my knowledge, at least up until this point.

Mr. **Sangmeister**. Has your engineer got a ball park figure on what it takes to—I suppose if you are going to expand that bridge, you probably will want to make it four-lane wide underneath there, I would presume, would you not?

Mr. **Waldock**. That is—that is correct. That is what——

Mr. **Sangmeister**. So what would it cost to knock that out and expand that bridge? Have you got any idea?

Mr. **Waldock**. I really do not have that information, but the cost is significant, at least in comparison to the number of people we would have to spread it over—5,000 population.

Mr. **Sangmeister**. Well, if you get any information from your engineer as to what the estimated cost is, I would like to know.

Mr. **Waldock**. Okay.

Mr. **Sangmeister**. Several years ago, the Federal Government had a great program for sanitary sewer improvements in the cities and villages. In fact, they were funding it up to 75 percent through the state, but they were—it was federal funds. I do not know how long you have been with the community, so maybe you do not know the answer to the question, but was there any effort made—you know, you had to pass a bonding referendum locally to pick up the other 25 percent. Did Plainfield make any effort at that time—talking about four years ago, three years ago?

Mr. **Waldock**. Well, that does predate my time in Plainfield, so I really am not equipped to answer that.

Mr. **Sangmeister**. But, you do need—you have got a sanitary sewer problem out there, and a lot of cities and villages really took advantage of that 75 percent federal funding. But you do not know why——

Mr. **Waldock**. We—I believe we missed the boat on the 75 percent money. Our sanitary sewer plan is up to EPA standards presently, but was done with local funding.

Mr. **Sangmeister**. Maybe the referendum was not—maybe the referendum did not pass. I do not recall independently either.

Mr. **Waldock**. I do not recall.

Mr. **Sangmeister**. Okay. All right.

Mr. **Waldock**. But yeah, we do have a significant sanitary sewer plant. A concern in that—the plant itself is also located within the floodway of the DuPage River and probably ultimately will need to be relocated to be in an ideal condition.

Mr. **Sangmeister**. Mayor Stefaniak, you and I have talked several times about the problems you have got in your community, and I am glad you are here to let the Chairman know what kind of problems you have got. Okay. Again, it is awful hard, and I suppose maybe I should not be doing this, but I am trying to get a handle on what our communities need in this district. And you have got two big projects, the one being the roadway improvement and the other being the storm sewer.

Mayor **Stefaniak**. Correct.

Mr. **Sangmeister**. Are you willing to put a priority between the two? Not that—I am sure in your mind, they are fairly equal. But if you had the alternative that you had to——

Mayor **Stefaniak**. If I had the alternative, I would go with the one to resolve the flooding situation.

Mr. **Sangmeister**. Okay.

Mayor **Stefaniak**. And I think the community would accept that accordingly.

Mr. **Sangmeister**. And I know that your community has been willing to bond itself over the years and contribute their share. That would be the same on this project?

Mayor **Stefaniak**. That is correct, sir.

Mr. **Sangmeister**. Okay.

And Barbara, you indicated in your testimony that you are concerned about urban congestion in the new highway program, and I think your remarks are well taken in that regard. Has the South Suburban Mayors and Managers Association—do they have a position on how much we should be doing in mass transit, as compared to roadway improvement because I presume mass transit has got to be a part of the solution to urban congestion?

Ms. **Sloan**. That is correct. We have—we supported all of the concepts that the Chicago Area Transportation study has come up with as far as urban congestion. That does include rapid transit, as well as highways. We do have several priority projects we would like addressed in regard to mass transit in our area, one of them being the—a freight line which currently runs from the City of Chicago to Crete. Now, we would like to see that reinstated as passenger service, and we would like to see that addressed. That could also possibly serve as a potential service to one of the airport sites that is being addressed.

Mr. **Sangmeister**. Okay. Speaking of airport sites, which is always something we are all talking about these days. Of course, as you know very well, I agree with you 100 percent that we need that third airport.

The **Chairman**. I was going to ask Ms. Sloan that question. I was going to ask her what district would that be in.

Mr. SANGMEISTER. Well I do not know if she wants to answer that or not. I was going to ask her whether or not—I know the position of the Association has been to take no position on any particular site that is under consideration, but——

Ms. SLOAN. We feel like any of the sites under consideration would benefit the south suburbs.

Mr. SANGMEISTER. Well, does that mean that your Association would accept the site at Lake Calumet?

Ms. SLOAN. Well we are supporting the study process, and whichever site comes out of that study process——

Mr. SANGMEISTER. That was not the question. The man sitting to your left may have a little difference of opinion with you on that particular site. Well, I think, yes, it is. It will be the economic boon that we need, although I really think that that is a difference of opinion. I understand that. We ought to pick a site and work toward it because I think if we do not, we may very well lose—I think it is losing the site to Lake Calumet. We are going to have some 26,000 people displaced up there, and I think we ought to be concerned about that, and I know Stefaniak is as well. But, everybody has to take their own position on it.

Mayor STEFANIAK. Now let me just clarify something, Congressman, if I can. You asked me what my priority was, and of course, that flooding project funding would be the appropriate one. The only problem is, that particular project is in the proposed runway for the Lake Calumet third regional airport.

Mr. SANGMEISTER. So, you do not want your problem solved that way, do you?

Mayor STEFANIAK. No. So, going along with Ms. Sloan and the entire South Suburban Mayors and Managers Association, I am totally opposed for the record for that airport on the southeast side of the City of Chicago. So that being the case, then of course, my priority would be the two roadway improvements, if the unfortunate should happen.

Mr. SANGMEISTER. That is understood.

And the City of Harvey certainly has a few problems, too, do not you?

Mr. JACKSON. Yes, sir.

Mr. SANGMEISTER. I see you have delineated them very well here, and you know, they will be a part of the record, and we will be taking a look at all of those projects as well. Okay?

That is all I have, Mr. Chairman.

The CHAIRMAN. I want to thank all of the witnesses who appeared before us today for their excellent statements. This was a good informative hearing. The testimony received will be helpful to us as we work to put together a national infrastructure program.

And George, I want to compliment you for putting together this hearing. And George, special thanks to you for your hospitality and to your staff for working to make things run smoothly. And I am sorry I did not get a spot for that third airport, but that is all right.

Mr. SANGMEISTER. Well, you still are in a position to have something to say about that, Mr. Chairman. And also, thank you, and I know you want to get on your way home. We have a long tough session, and you want to get back to California. And I appreciate your taking the time to come here to squeeze us in after the original hearing was canceled. Thank you very much.

The **Chairman**. Again, thanks to all of you, and the Committee stands adjourned. Thank you very much.

[Whereupon, at 12:09 p.m., the committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

Naperville

October 4, 1990

U. S. House Committee of Public Works and Transportation
Congress of the United States
House of Representatives
Washington, D.C. 20515

Dear Committee Members:

Thank you for the opportunity to offer comments relative to the program for rebuilding of our public works infrastructure. The thrust of my comments are based on the transportation and solid waste elements.

In regard to transportation, I think there are two distinct challenges facing us today.

The first is the need to develop programs that will assure that our very intense investment in transportation facilities is maintained. Taxpayers have invested literally multi-billions of dollars in building a system that is unequalled in the world. Unfortunately the cost of maintaining those facilities in the long run, usually cost more than the initial investment.

I suggest a greater emphasis needs to be placed on the maintenance efforts in order to guarantee retention of these facilities. The focus of that attention needs to begin at the highest level, which is from Congress. I would also suggest that any further investment in new facilities should be dependent on a commitment from the responsible agency for maintenance of the existing systems.

I also think that before we simply embark on a program to replace everything that exists today, that a requirement be made that alternatives be reviewed in order to determine whether or not the existing improvements are the most appropriate. We have learned much since the initial construction of these elements of the infrastructure. There are in many cases, more cost effective solutions.

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The second challenge facing us today is to determine how best to invest dollars into the transportation system of the future. I realize that may not be the specific objective of this hearing but I would like to at least offer comments relative to the future investment.

I suggest that much more attention needs to be directed at more effective incident management. Incidents are defined as anything from accidents to utility repairs. It has been shown through documented federal studies that half of the congestion that exists today is the result of incidents as opposed to capacity restraints.

What this is going to require is more awareness on the part of those individuals charged with maintaining and developing the transportation infrastructure. It will be necessary that everyone who has a role in the transportation system will have to be aware of this problem and work together to reduce this 50% figure. Obviously, we are nowhere near effectively utilizing the system that is already in place.

In regard to the matter of solid waste, which by the way we in Naperville prefer to call resource recovery, I don't feel that there should be an emphasis on worrying on how we are going to replace existing facilities such as landfills and incinerators. Instead, I think our efforts should be directed toward finding ways to reduce, renew, and recycle our resources so that we don't have the need to try to burn up or cover up these needed resources.

I am convinced that in regard to the issue of resource recovery, we all know what we have to do. It is a matter of making a commitment to do it. I see the need for a federal focus in the areas of education and encouragement to do the right thing. The actual delivery of the service should be maintained at the local level.

Thank you for your consideration of my comments.

Very truly yours,

Ned P. Becker, P.E.
City Engineer/Director
Department of Transportation

dg

cc: Ron Miller

Comments of the Mayor of Joliet, Illinois
before the U. S. House Committee on
Public Works and Transportation
October 6, 1990
(HON. CHARLES P. CONNOR)

Mr. Chairmen:

I would like to thank the Committee for the opportunity to address you today and advise you of the infrastructure needs of the City of Joliet.

Joliet is a City of approximately 80,000 people located approximately 40 miles from Chicago. Joliet is a City that meets its challenges head-on. Joliet is addressing infrastructure needs in four areas. These areas are water supply and distribution, sewage collection and treatment, storm water drainage and transportation.

Funding in excess of $130,000,000 is required for the repair, rehabilitation and replacement of existing infrastructure. Costs could reach as much as $180,000,000 if the new public water supply project requires the use of Lake Michigan as a source.

Water distribution and supply needs have a cost range between $55,000,000 and $100,000,000 . Joliet's existing water supply is from wells that suffer from a declining water level and radium concentrations that exceed the Drinking Water Standards. To address this situation, Joliet is currently involved in the design of a project to obtain water from the Kankakee River. Due to regulatory constraints established on withdrawals from the Kankakee River, Joliet is also investigating the possibility of obtaining an allocation of Lake Michigan water as an alternative project.

The development of a new water supply will cost between $40,000,000 and $50,000,000 for a Kankakee River Project and $60,000,000 to $80,000,000 for a Lake Michigan Project. Either project will require the replacement of over 50 miles of distribution piping that has been in service more than 50 years. This piping has excessive leakage. This replacement will cost between $15,000,000 and $20,000,000.

Joliet is completing $22,500,000 of construction of treatment facilities at the Joliet Eastside Sewage Treatment Plant. The next phase of wastewater projects is the elimination of combined sewer overflows. Combined sewers transport stormwater and sanitary sewage for treatment. This method was the accepted practice 40 years ago, however, separate systems are now required to eliminate the infrequent overflow sewage into streams and rivers during heavy rainfall. infrequent overflow during rain fall events. Joliet is using local funds to construct separate storm sewer collection systems that connect to previously constructed major storm sewer interceptors. It is anticipated that at the current rate approximately 20 years will be required to complete the construction of the necessary separate sewers with an estimated cost of $30,000,000.

Additional storm sewers are necessary on many streets in Joliet. This additional drainage will cost approximately $10,000,000 and is necessary to properly drain streets and allow reconstruction of deteriorated streets.

The reconstruction of the streets in the areas where new storm sewers are constructed and the reconstruction of the streets that have deteriorated will cost $50,000,000. Street reconstruction each year costs Joliet approximately $ 1,250,000 and improves approximately 1.5 miles of street each year. At this rate more than 40 years will be required to complete the construction.

Joliet is also responsible for maintenance on 21 bridges within the City. Of these 21 bridges, 6 bridges has been identified as requiring rehabilitation or replacement. Joliet is working to complete this construction work, however, annual funding of $ 50,000 each year is not adequate to meet the current demand. Many of the bridges are more than 50 years old and have served their useful life and are due for replacement.

It is apparent that Joliet is making considerable investment in infrastructure, however the requirements exceed the ability to fund projects. Rehabilitation and reconstruction of the existing infrastructure is necessary to provide necessary municipal services to the residents.

I trust that this information will assist the committee in its understandings of the infrastructure needs of cities throughout the nation.

I would like to thank you again for the opportunity to address the committee today.

Testimony of Gloria Bryant, Mayor of Ford Heights, Illinois before the House Subcommittee of Public Works and Transportation.

Mr. Chairman, distinguished members of the panel. I take this opportunity to express my gratitude to you and especially to our own representative Congressman George Sangmiester for holding this fact-finding hearing in our area and for giving me this opportunity to present testimony today.

My name is Gloria Bryant and I am the mayor of The Village of Ford Heights, Illinois. The problem I wish to address this morning is one of water quality. A problem that has served not only to distress our citizens, but, has been singular in impeding economic growth in our community.

Perhaps the best way to begin, is to provide you with a brief history of Ford Heights and establish the context for the problem I will be discussing.

Ford Heights was incorporated as the Village of East Chicago Heights, Illinois immediately following World War II. The original settlers were soldiers returning from the War and Chicagoans seeking an alternative to urban living. The social structure consisted of urban middle class, factory workers and migrants from the rural South.

Over the past two decades we have witnessed a steady erosion of our middle class residents. As our children became better educated and career focused, they left home. Due to increases housing opportunities in surrounding areas and the absence of available housing in Ford Heights, they do not return.

The net result is that our village has become, increasingly, a community of low income families and senior citizens. The 1980 Census showed the per capita annual income for Ford Heights to be less than $5,000; distinguishing us as the poorest urban community in the United States. The erosion of our Middle Class produced a corollary devaluation of our basic assets and a shrinking revenue stream in the face of rising operating cost.

One important and dependable source of revenue over the years has been our water. Our water system consisted of five wells which produced an abundance of water, enabling the Village to sell water to neighboring industries and communities. Both the City of Chicago Heights and the neighboring Ford Motor Company Stamping Plant were important customers for our water and provided much of the revenue needed to provide essential public services to our citizens.

In 1986 Chicago Heights began purchasing Lake Michigan water, and in 1987 Ford Stamping Plant was annexed to Chicago Heights. Their stated reason for annexation to Chicago Heights was that the quality of water purchased from Ford Heights caused sufficient damage to their equipment and machinery that maintenance and repair costs became unacceptable.

I talked recently, with a cosmetic manufacturer who was looking for a South Suburban location for a new factory. In frank terms, he advised me that Ford Heights could not be considered as a possible site due to our water quality. There are many similar stories I could bring you. All of which have the same ending.

Technically, our water is safe. Both EPA and private laboratory results show that our water meet minimum standards for potable water. The iron and hydrogen sulfide levels are below maximum limits for drinking water as established by EPA.

The practical fact, however, is that our water is of limited use to our citizens and of no value to commerce or industry. Our water has a reddish brown color because of high iron content and has an offensive odor caused by high hydrogen sulfide levels.

We find ourselves caught in a chemical aberration where our water quality meets accepted EPA standards, but, is offensive to human senses and unfit for industrial use.

I would like to submit, for the record, a recent report from Mr. James W. Wilner, Chief Engineer for American Water Works Service Company, Inc., the nations largest owners and operators of well systems. Mr. Wilner inspected our water system and reviewed EPA and private laboratory analysis for the past 12 months. His conclusion was the same. The water meets minimally acceptable standards, but is of no practical use.

The solution to our dilemma can only be determined by a comprehensive study that will better define the problem and weigh the feasibility and cost effectiveness of various alternatives. Our engineers estimate that a study of our water system would cost $30,000. This brings us back to our problem of inadequate revenues to provide necessary public services. While the cost of this study may seem paltry to the average municipality, it represents half the annual payroll for our Public Works department. The trade-off is unworkable.

In the meantime the competitive edge afforded by our land and transportation assets are neutralized by the intractable problem of our water quality.

I come to you with this problem seeking a solution. Moreover, I seek a solution that can be implemented before 1992. The industrial and commercial opportunities already lost can not be recovered. We also know that without immediate action, the chance for capturing industry will continue to decline.

I thank you for your attention and I make myself available for your questions and recommendations.

MERCURY STAINLESS CORP.
475 WEST ALLENDALE DRIVE/WHEELING, ILLINOIS 60090-2652
PHONE: 708/459-6060 • FAX: 708/459-6165

DIETRICH M. GROSS
CHAIRMAN AND PRESIDENT
MERCURY STAINLESS CORP.

Background:

Mercury Stainless Corp. is a totally backward integrated producer of stainless steel flat rolled products with an annual sales volume exceeding $450 million.

Mr. Gross (Mercury's 100% shareholder) has over 30 years experience in the steel industry.

From the mid-1950s until the early 1970s, Mr. Gross was a sales representative for several German steel and specialty steel companies. His sales territories included Europe, Scandinavia and the Far East. Just prior to founding Mercury, he established and was president of a U. S. steel service center operation owned by a German company.

Mr. Gross studied in Germany and earned the equivalent of a BA degree in Economics. He is also a member of the Steel Service Center Institute.

10/90

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

MEETING ON OCTOBER 6, 1990

HOLIDAY INN, MATTESON, ILLINOIS

Ladies and Gentlemen.

We have all been delayed uncountable times in our travels on American highways due to bottlenecks developing because of road construction. Our decaying highway systems seems to make road construction and repairs ever more necessary and the irritation of drivers and passengers keeps growing and growing.

We are here today to discuss possible remedies to this ongoing situation and I want to present to you a solution that the German government found to be very helpful during the 1960s and '70s. During this period of time, Germany's highways consisted mostly of 2 lanes plus 1 emergency parking lane for a total of 3 lanes in either direction. The German government ordered from the German steel manufacturer, Krupp, steel decks to bypass the area under construction. The steel deck was constructed in such a fashion to use the 2 lanes plus 1 parking lane as base for a steel deck of 4 lanes, laid out to allow continuing traffic on 2 lanes both directions. The traffic flow was slowed down somewhat because the individual lanes were somewhat narrower, nevertheless, the result was a continuing good flowing traffic pattern which avoided the backup and gridlock.

Today in Germany most highways have been converted to 3 lanes plus 1 parking lane and for those highways the steel deck is not necessary any more. However, residual areas of 2 lane traffic are still in use and also under repair and from what I understand, the next time a steel deck will be used will be early in 1991 in the area of Munich.

The usefulness of the steel deck was calculated in Germany in the following fashion:

If we have a car density of 10,000 cars per hour on any given highway and the traffic approachs a road construction area, delays of up to 30 minutes are not uncommon. In an 8 hour day with a 30 minute delay per car, to a density of 10,000 cars, we are looking at a total of 40,000 hours of lost time. In those 40,000 hours we would estimate that an additional 100,000 gallons of fuel were burned and at an earnings rate of $10 per hour average, we look at an income loss of $400,000 for a total of $500,000 per day.

Intangibles have to be added such as wear and tear on the car, lost connections to airline schedules, delays to reach hospital emergency rooms, delays on missed meetings, not to forget possible accidents, etc. The question arises, how many of these traffic delays do we have on each given day in every state of the Union? If we assume that we have 3 heavy construction sites in each state, we are looking at $1.5 million times 50 or a total of $75 million per day or $2.7 billion annually to be the economic impact of traffic delays in our entire country.

To use a steel deck is not inexpensive. The price obviously depends on length and width of the deck that is used. Let us assume we are looking at 1,000 ft. with 4 lanes, 2 lanes in either direction, for a total lane width of 48 ft. with an average lane width of 12 ft. We are looking at 48,000 sq. ft. or a price tag of between $8 and $9 million. This segment is reusable and can be repaired and moved with the construction site fairly easily. One or two steel decks could service an entire state for a long period of time.

To offset the cost of such steel decks you might look at an increase in the license plate fee of $2 or of the sticker price of $2 each. With such a remedy, we could avoid many of the endless delays that we are presently enduring and guarantee more even traffic flow very much for the benefit of the driving public.

I have added to this speech copies of an English translation giving a brief description of the steel deck usefulness for your consideration.

I want to thank you for your attention and hope that the solution which I am offering here would find your approval. I recognize that this solution might be only one of several which you are considering, however, it has proven to be very useful in Germany and might prove to be equally practical in our country.

As a final note to these remarks I might add that the German government has about 6,000 running feet of the steel decks available and to the best of my knowledge would be agreeable to sell a portion to the United States in case we find an interested party who wants to try out this new method of bottleneck prevention before it is decided to develop a road program incorporating steel decks in individual states or beyond.

Dietrich M. Gross
Chairman and President
MERCURY STAINLESS CORP.
475 Allendale Drive
Wheeling, Illinois 60090
(708)459-6060

STEEL DECKS FOR HIGHWAYS

Technique and Experiences: H. Sedlack
Friedrich Krupp, Mechanical & Steel
Engineering, Rheinhausen

Historical Background

Since the beginning of the '60s, the necessity to repair the older highways in Germany (often having been built in the '30s as a preparation for the war), was steadily rising, and so was the number of building sites.

The known process of restoration up to this point was to close down those lanes which were in poor condition. This was done over a few miles, often over a period of several months, diverting the traffic onto the neighboring lane, transforming the two-lane one way traffic into a one lane traffic of opposite directions.

The consequence was a reduction in capacity of the highway of 75%. Because of this, the traffic would obviously slow down considerably, or even jam up over many miles resulting not only in an enormous amount of time lost, but also in a rising number of accidents. Both of these factors not only represent a personal loss, but an economical one as well.

Because of the public getting restless about the situation, the construction industry made suggestions as to how bottlenecks could be avoided. Most of their ideas turned out to be useless because the problems and technical difficulties outweighed the gains of time saved as well as road safety. One example of this would be the building of temporary steel bridges over the construction site.

Krupp then made the suggestion of diverting the traffic not over, but around the site, simply by building a quickly assembled steel road. Thus, the motorway would be widened by flat steel panels, one right next to the other and projecting in such a way beyond the edge of the highway, making up for the lanes which were under construction. This resulted in a four lane highway again (although rather narrow).

Since this seemed to be a realistic idea, Krupp, being commissioned by the German government, began to develop the steel road. Being the first project of its kind and having no prior experiences to fall back on, Krupp built a test road of 1 kilometer. This first steel road was then opened to traffic in April, 1964, on the highway Frankfurt-Kassel. Using the information that was gathered on the test road as well as this steel road, they reshaped and improved its construction to fulfill certain requirements.

First of all, its plates and tracks, as well as the equipment, had to be easily transportable. Then it needed to be set up quickly and efficiently, and at a later date could be dismantled again to be used at another site.

Furthermore, one not only needed to take into account the weight of the material itself, (for instance, a single steel plate weighed approximately 4.2 metric tons), but also the constant and substantial stress created by the moving cars and trucks on the whole structure. Finally, the steel roads had to be applicable to curves and to bridges.

The road consisted of plates which were 12.25 mm long, 2.4 mm wide and 30 cm high. They were laid out side by side and perpendicular to the flow of traffic, and mounted onto parallel steel tracks which were laid on the emergency parking lanes of each side of the highway. These tracks are responsible for distributing the weight and pressure evenly over a long stretch of road. Furthermore, noise reduction was aided by shock absorbers which consisted of rubber ledges laid down between the steel plates and the steel racks.

To overcome the different levels between the highway and the steel road, the surface of the latter being 0.5 m above the other, ramps were used. These were 5.7 m in length with a slope of 2% grade and allowed a smooth transition between the highway and the steel road. Furthermore, ample accessories such as curbs and crash planks gave the steel road the necessary road safety.

Finally, finding the right panel surfacing proved to be difficult. Krupp tested approximately 30 different coverings but only a few were successful. These were made of a highly durable material and possessed a rough, grainy quality. The final covering was synthetic and consisted partly of tar being 6 mm thick.

An absolute necessity for the steel road to prove itself useful is the ability to assemble and disassemble it quickly. As it turned out, a stretch of 1 km was set up in approximately 20 hours.

Conclusion: By using the steel road, it was soon shown that traffic jams at building sites could be avoided.

Dietrich M. Gross, Chairman and President
Mercury Stainless Corp., 475 Allendale Drive, Wheeling, IL 60090
(708)459-6060

THE KRUPP STEEL ROAD

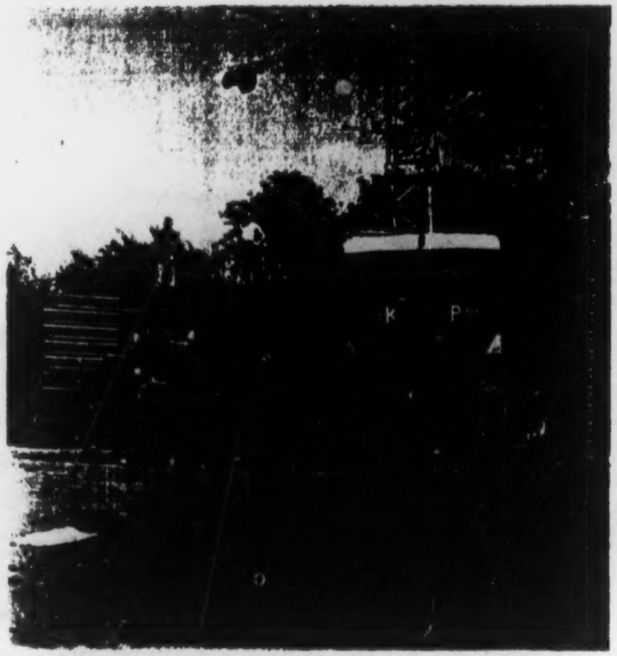
The KRUPP STEEL ROAD is a quick-assembly road for heavy motorway traffic.

It is used along motorway road works when two of the four lanes are blocked by the works.

With the KRUPP STEEL ROAD two lanes of the motorway are widened by flat steel panels one placed beside the other and projecting beyond the edges of the road in such a way that they can support a, rather narrow, four-lane road panel.

Technical Data of the KRUPP STEEL ROAD Type 3:

Loading	Class HS 20-44 (AASHTO)
Width	2.4 m
Length	12.25 m
Height	0.304 m
Overall structural height	0.5 m
Weight per plate	5.7 t, 2.6 t/linear meter
Road panel surfacing	Synthetic coating
Accessories	Supporting beams Crashplanks Road marking Curbs

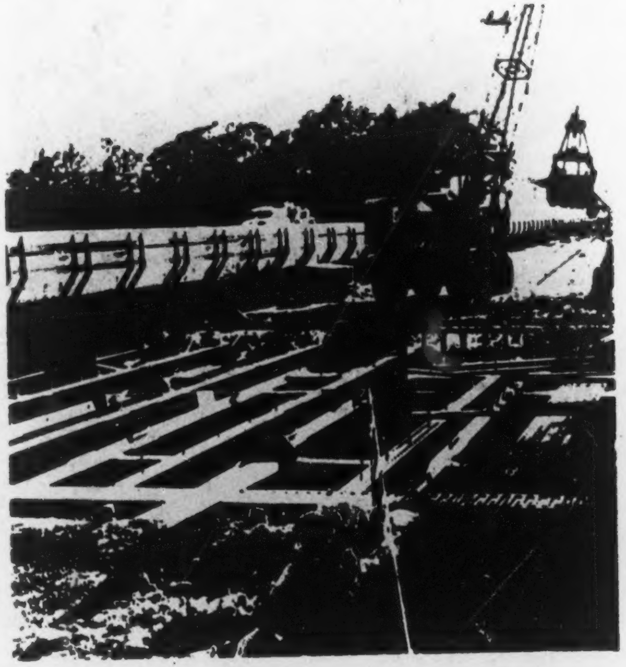


1. In order to ensure a smooth flow of traffic even along road works, the Ministry of Transport keeps approx. 2,000 liner meters KRUPP STEEL ROAD structures on stock in special stores.

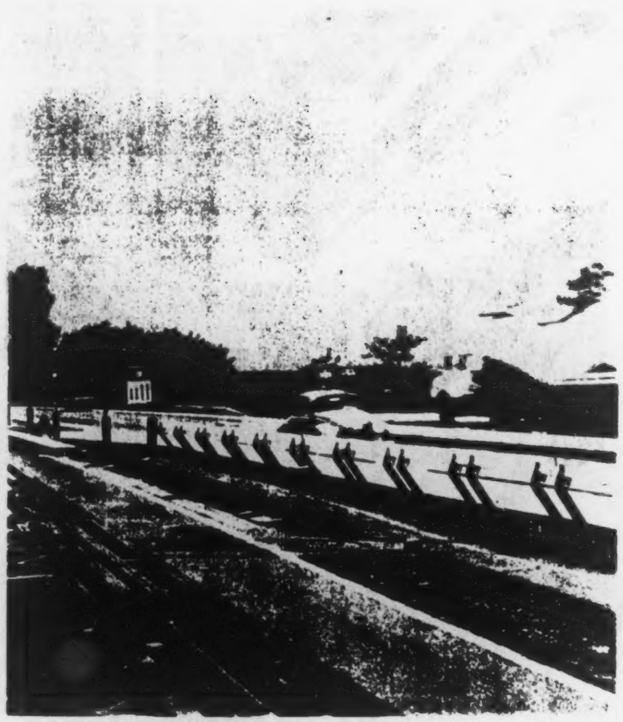
2. The plates of the KRUPP STEEL ROAD are transported to the place of use on flat-bed trailers.

3. The plates are lifted off the flat-bed trailers and placed onto the supporting beams using a crane.

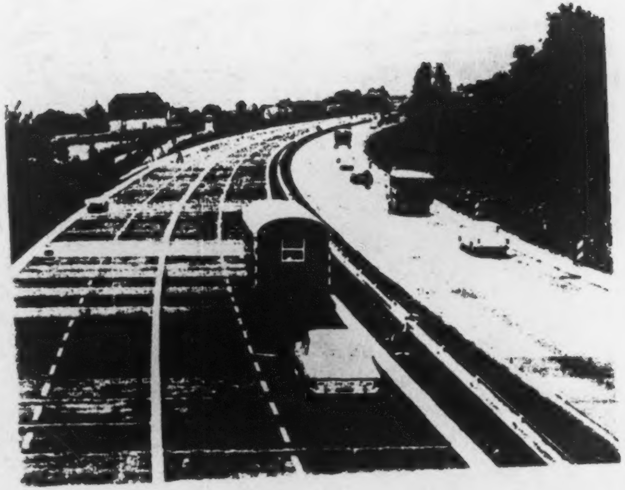
4. Ample accessories such as curbs and crashplanks give the steel road the necessary road safety.



5. Traffic can move in four lanes over the KRUPP STEEL ROAD even along bridge jobsites.



6. The KRUPP STEEL ROAD is suitable for heavy-truck traffic up to class HS 20-44.



7. The KRUPP STEEL ROAD can also be laid in curves.

With a gap width of approx. 28 mm the curve radius would be approx. 1,000 m.

OFFICE OF THE MAYOR
HARVEY, ILLINOIS 60426

DAVID N. JOHNSON
MAYOR

CITY OF HARVEY

INFRASTRUCTURE NEEDS

The City of Harvey is a mature suburban community with a variety of infrastructure needs. The City of Harvey, Illinois has a population of approximately 35,810 persons, according to the 1980 census. Located in the southern suburban Cook County, Harvey is approximately 10 miles from Chicago and 16 miles from the Chicago Loop. The City has moderately dense residential land use, a stabilized industrial base and viable commercial corridors and industry because of its infrastructure, as well as, county and state roadway and interstate highway access. However, today more than ever its continued economic survival and progress depends on its aging infrastructure, which in the past has been one of the City's greatest assets.

Incorporated in 1891, Harvey is a homerule unit. Historically, the City has been a transportation, business, commerce, and industrial hub for the south suburbs. The City's most developed commercial corridors have been the Halsted Street area, the 154th Street - Central Business District, Dixie Highway and 147th Street (Sibley Boulevard). The Halsted Street highway commercial corridor near Interstate 80 has done well with newly constructed commercial buildings being built over the past three years. Some of the other commercial corridors have not done as well because of older obsolete commercial facilities and infrastructure, as well as, competition from new commercial and industrial properties in the region.

LIST OF INFRASTRUCTURE NEEDS:

1.	$50,000,000 -	Rebuilding underpass and viaduct/bridge for U.S. Route #6 underpass which must to be widened to a two lanes because of traffic congestion.
2.	$ 1,912,000 -	Storm and Sanitary Sewer rehabilitation city-wide.
3.	$17,500,000 -	Storm Sewer construction through existing residential, commercial and industrial areas. This will improve existing drainage and make additional residential and industrial area economically viable for development. (Includes correction of Wood Street drainage problems.)
4.	$ 3,875,000 -	Street rebuilding and resurfacing which will provide for the reconditioning of existing streets.
5.	$ 2,380,000 -	Sidewalk, curb, and gutter replacement and installation citywide.
6.	$ 4,925,000 -	New parks and equipment to provide recreational service to underserved areas and replace facilities and equipment.
7.	$ 572,000 -	Removal and replacement of water line values.
8.	$ 675,000 -	Water main replacement citywide.
9.	$ 978,000 -	Street and thoroughfare lighting for commercial and residential areas with traffic hazards.
10.	$1,600,000 -	New sanitary sewer extension into existing residential areas with septic tanks and for service to developable lots.

11. $3,700,000 - Upgrade of Illinois Route 1 consisting of widening, resurfacing, adding turn lanes, and traffic signal modernization, also, enclosing storm water collection providing for curb and gutters. Because of increasing traffic volumes over the years and the lack of left turn lanes, all intersection within a 12 block area have reported a high traffic accidents and fatality level (area between 159th and Halsted St.). This was a planned improvement by the State of Illinois Department of Transportation, however in recent years many of the projects planned by the State D.O.T. have been continuously moved back in programming year or deleted because of funding constrains.

12. $2,500,000 - School Districts' major renovation or construction for some of your aging area schools.

13. 54,000 - Acquisition and construction for additional parking for City's municipal center building.

14. 100,000 - Municipal center building requires construction of an elevator and renovation of restrooms to make it handicap accessible.

$90,771,000 TOTAL ESTIMATED 5 YEAR PLAN COST

Note: The estimate does not consider a asbestos removal program from public buildings.

The above estimates of infrastructure improvements represent the estimated total cost of a Five (5) Year Capital Improvement Plan to address most of the City of Harvey's current and anticipated needs.

STATEMENT OF LINDA LINDQUIST

VILLAGE OF ROMEOVILLE
13 MONTROSE DRIVE ROMEOVILLE, ILLINOIS 60441
(815) 886-7200 (708) 655-9019

Romeoville, in Will County, Illinois, is not your typical suburban, bedroom community. We are a Village of approximately 16,000 people, mostly "blue-collar" families. Homes were built in the postwar period with $100 down and $100 a month mortgages. We have about 35 miles of streets. We operate our own water, storm sewer and waste water facilities. We also have our own police, fire, and ambulance department as well as recreation facilities. We don't rely on other fire and police protection or recreation districts to provide services to our residents. Reflecting the mixed heritage of most of our people we have a combination of Yankee stubbornness to take care of our own; and southern gentility that defines "own" very broadly. This seems fairly common for a local municipality, but there is more.

Romeoville sits in the heart of the most prime industrial development land in the state. Growth projections for our area provided by the Illinois Department of Transportation and the Northeastern Illinois Planning Commission astound us. With our available land, utilities, and transportation facilities, we are in the center of an area that is attracting major players in the nations corporate and industrial development.

We didn't get into this position by accident. A few years ago the Village looked at what could be done to spur economic growth in a stagnant community. This growth was vital to generate revenues needed to support existing infrastructure needs through development of new revenue sources. Among other items, our staff determined that we needed an interchange off the I-55 interstate at Weber Road. After a coordinated effort by the Village officials and staff, the state highway department, the county and developers interested in the area we knew we had a good idea. The state planned an interchange in this area within the next ten years, but we needed it immediately. The State agreed to move the interchange up on it's calendar - if local funding was found to match half of the estimated cost of $14 million dollars. To the surprise of many, we did it! Two developers each contributed 1.5 million dollars, Romeoville sold the farm - literally - to contribute 1.2 million Will County contributed a portion of its available FAU funding to make up the balance. As a result, approximately 24 months later, the Romeoville interchange will open on November 1.

In a self congratulatory burst of exuberance, we felt as if we had worked a miracle. However, our experience with miracles is limited. And we are finding the supply is not endless.

Over the past 89 years, we have have struggled with the normal infrastructure demands that most communities face, providing streets, water and sewer systems and sidewalks as our Village grows. We've also had to deal with repair and replacement of most infrastructure in the past few years as our Village reaches an age where it seems as if everything is falling apart at once. Through long range planning, capital improvement financing, and creative use of time, energy and staff we have almost been able to hold our head above water. New revenues generated by growth are funneled into capital needs programs, but the growth is so new that the anticipated revenues have not fully materialized. The two year (temporary) income tax surcharge enacted by the State of Illinois has been of immeasurable assistance. In the past twenty four months we have rebuilt over twenty nine streets in our community. Some of which had deteriorated to gravel roads. None of which would have been possible without the additional funding. If funding were to continue, we could begin addressing collapsing storm sewers and water mains. While planned replacement is needed very badly, this is not my main topic.

The Village lies in the northern portion of Will County. The Chicago Sanitary Shipping Canal and the DuPage River cuts through the Eastern third of the community. It is this portion of the community that houses approximately 40 homes and four businesses. This area represents about one-half or the Village assessed valuation of $117 million dollars. It is considered to be a primary entrance into the Will County growth corridor. In the past two weeks, this area has become of critical concern to Romeoville and the surrounding communities.

On September 20, we were notified, with no prior warning, that the Metropolitan Water Reclamation District of Greater Chicago had closed the ninety year old swing bridge that connects the eastern and western portion of Romeoville. This caused village officials to scramble to ensure that there was no loss of safety related services to the area. This was not easily accomplished, as the nearest alternate routes to that area add 20 to 30 minutes to our response time. When you are dealing with police and fire calls this is unacceptable. Temporary agreements with other agencies were hastily struck.

Although the Metropolitan Water District of Greater Chicago was certainly aware that at ninety years, the bridge had outlived its estimated life span of 50 years, this was the first time extensive testing had been done to determine how sound the bridge was. It was declared unsafe for vehicular traffic after engineering and ultrasound testing found that as much as 50% of the infrastructure had decayed due to rusting and corrosion.

The District has no plans to renovate a bridge of this age, that is understandable. They also claim no responsibility for providing a new structure, which is still debatable. They also had not planned in the past forty years for a bridge replacement fund. Basically, we've been told that if Romeoville needs a bridge, it is up to us to take care of things. With a twenty to fifty million dollar estimated price tag, this is not something Romeoville can accomplish alone.

This is the concern I wanted to bring to your attention. In this situation, there are about six agencies all pointing the finger at each other, disclaiming responsibility.

Replacement of infrastructure is difficult enough when authority or responsibility is clearly defined. In cases such as this, it becomes a frustrating and time consuming experience. Romeoville is committed to getting involved. We feel that no effort by a single agency can overcome the scale of reinvestment or cut across the jurisdictional barriers. Had we been notified 40,20,even one year ago of the Districts long range plans, or lack of one, we would have become involved before this situation reached a crisis.

This ninety year old structure provided necessary transportation access to nearly 6,000 vehicles a day - and that was at a reduced weight limit. Projections for the year 2000 are 18,000 vehicles. Loss of this vital transportation link will have an immediately devastating affect on the economic growth of the community. Already one rather shaky business on the east side of the canal has closed its doors. Two more anticipate closing within the month.

Without this bridge, all of this traffic is being diverted over the only two alternate routes available. Both of these are also bridges. Traffic delays of over one hour are common. Traffic accidents have already began to increase. There are three railroad lines intersecting highways in this area. Our response to railroad and refinery accidents is of primary concern to use.

Closure of the bridge, with no input from the community has affected the manner in which we are able to provide for the health, safety and welfare of our residents. It impacts the economic development of the entire northern portion of Will County.

If the Village had the bonding capacity, and a way to pay the debt, we would build this bridge ourselves. We can't issue bonds under current laws sufficient to finance an undertaking of this magnitude. Surrounding municipalities, dealing with increased traffic patterns as a result of this closure, agree with the need for a replacement, but none are reaching into their wallets either.

The Metropolitan Water Reclamation District has an elected board, but none of its constituents are in Will County. Where is help going to come from? What do we tell the 6,000 voters that once used this bridge daily?

I'm sure you will find similar situations all across our country. Infrastructure replacement is something that has been put on the back burner far too long in most communities. These big ticket projects cost more money than most communities ever hope to raise locally. Property taxes already representing an increasing burden are not available for a non-home rule community in a situation such as ours. Responsibility is not clearly defined. Apparently, need does not stand alone as justification.

If it were mandatory that every capital improvement carries the burden of a replacement financing built into its creation, future infrastructure might be protected. Communities of today have an obligation to participate in capital planning and financing plans. "Pay as you go" is no longer enough - we must look at "paying before you go". The burden of replacing what we already enjoy is ours, but we need help. It is critical that a plan be developed and enacted to provide relief to communities like Romeoville struggling at the grass roots level to provide day to day services that your constituents have come to expect. We must look at a new era of fiscal management. We must inventory and plan. Unfortunately for Romeoville, we have done all these things - but are bearing the affects of another agency which did not.

The House Committee
on Public Works and Transportation
Remarks by Laura A. Jibben
Executive Director
Regional Transportation Authority
Matteson, Illinois
October 29, 1990

Presented By: Vincent Petrini

I welcome the opportunity to appear before the House Committee on Public Works and Transportation. As the Executive Director of the Regional Transportation Authority (RTA), I would like to relate to you the far-reaching capital needs of a system as large as ours. I also hope to update you on our 1989 Capital Improvement program and the reasons why consistent federal support is so crucial to our efforts.

Before I describe the RTA's view of infrastructure needs in our area, I do want to thank the Committee on Public Works and Transportation for all it has already done to build and rebuild our highways, roads, bridges and transit systems. Your Committee wrote the legislation which built the interstate highway network. You led the fight to gain federal aid for mass transit. You created and stood behind a comprehensive program to rebuild bridges carrying highways and railroads. The fact that you are holding this hearing shows us that you are continuing that history of seeking ways to be part of the solution to our infrastructure problems.

The issues that I would like to talk about today have a real and immediate impact on the entire RTA region. In Chicago and its suburbs, we are faced with an enormous challenge. It is a challenge that involves billions of dollars worth of reinvestment in our rail lines, buses, stations and bridges. But, it is a challenge we can not and will not let go ignored.

Let me begin by giving you a brief background on the size, scope and age of our system. Consider the fact that mass transit in Northeastern Illinois carries 2.5 million people to work every business day, and supplies 980 million annual trips. In the RTA system there are 1,200 rapid transit cars and 950 commuter rail cars. There are 1,400 miles of track and 100-year-old bridges. There are 3,000 buses and nearly 500 Metra and CTA stations.

The facts themselves present a compelling case. More than 400 Metra bridges have been in service longer than 80 years and more than half of Metra's stations are nearly 50 years-old. CTA maintenance facilities are in desperate need of renovation. Maintenance garages which service 700 CTA buses were built before 1910 and they were designed to service streetcars, not today's 14-ton buses.

Those numbers, of course, are simple trivia until it comes time to repair these rapidly deteriorating assets. Then those numbers become real. As an example, the Chicago Transit Authority (CTA), one of the three operating boards under the jurisdiction of the RTA, maintains a fleet of buses that average more than 12-years of age. The oldest bus at the CTA is 21-years-old and carries in excess of 600,000 miles. At a hearing of the Illinois Pollution Control Board, the CTA acknowledged that over the course of its service that one bus left a smoky, diesel trail long enough to travel around the world 40 times. The bus will be replaced.

Such statistics are startling. But they speak to the need. By 1992, the CTA plans to buy 961 buses to begin replacing their aging fleet. But those type of purchases are becoming increasingly expensive. In 1986, the RTA issued a Strategic Plan to address this problem. According to that plan, meeting the overal need of the RTA system, which includes the CTA; Metra, the commuter rail line; and Pace, the suburban bus system; has been estimated at $6 billion in 1987 dollars. In current dollars, that need now exceeds $8 billion. That would simply get the RTA system back to a standard of safety and efficiency that we all must insist upon.

With more than $15 billion in assets, we oversee the second largest transit system in the nation and one of the oldest. Ninety-nine percent of the CTA's elevated structures are more than 75-years-old. Some stations were built before the turn of the century. We have had to conduct engineering studies to determine the type of steel that was used to construct these mammoth structures. And, every day millions of people must depend on this system.

We must overcome the reluctance to provide vital funding to these kinds of capital projects. We must reinvest in our existing transit system now for we have put off making these improvements for too long.

Today, we rebuild expressways and highways every 15-20 years. Yet, CTA, Metra and Pace jointly provide more than 60 percent of the total trips to the Chicago Loop for suburban Cook County. Every day the CTA transports one-quarter of a million people from the suburbs. Without it, there would be an additional 175,000 cars on our already clogged roads and expressways.

In 1989, we took a local step in the right direction by successfully lobbying the Illinois General Assembly to raise our bonding authority to $1 billion and to provide the financial resources to back the sale of those bonds. The implementation of this program has become the top priority of the RTA.

In May of this year, after negotiating the manner in which funds would be dispersed to the service boards and after extensive meetings with financial rating agencies, the RTA issued its first $100 million of debt. The RTA was granted a AAA bond rating, ensuring that the cost to taxpayers will be minimized.

The first $100 million of the capital program has been dedicated to upgrading the RTA's rolling stock, the system's most apparent need. Proceeds of the first bond sale will be used to purchase 30 new locomotives for Metra and 200 new CTA buses.

The RTA understands that the federal government cannot afford to fund 80 percent of the cost of mass transit projects as it has in the past. That is why we turned to local and state funding sources to make up a majority of the resources for our recent captial program. But, even with this strong local source of funding, the federal government must continue to be financial partners with us in rebuilding Chicago's transit system.

While we are attempting to cope with dwindling federal resources by increasing our local resources, we must be able to rely on continuing support from Washington. The sporadic needs of other transit agencies cannot become the problem of Northeastern Illinois in competing for federal funds for long-term infrastructure replacement. While we recognize the need for increased local support, we need to be able to rely on a stable stream of federal dollars to support us as we now begin to retire long-term debt.

Through a strong mix of federal, state and local resources, we have undertaken the largest capital renovation program in our agency's history and we are just beginning to see our labor paying off.

Engineering studies are currently underway to assess the condition of the CTA rapid transit lines. Stations like that at Harlem Avenue on the Congress-O'Hare line are experiencing total rehabilitation providing a safer atmosphere for our riders. We are planning to rebuild major commuter rail stations. We are making progress and will continue to do so as long as we can depend on your sustained support.

So that we may follow through in our efforts to make our transit system safe, affordable and dependable, we must be able to find a balance. The threat of lost federal dollars will place us in a position that could endanger our entire program. Here, in Northeastern Illinois, we have heard the messages from Washington about overmatching of funds and increased local support and we have heeded those words. Now, more than ever, we cannot afford to have our federal partner abandon us as we begin to implement the programs our system so desperately needs.

I would like to thank you once again for the opportunity to provide this testimony before your Committee. We at the RTA are looking forward to working with you, the members of the Committee on challenges related to infrastructure in the RTA region in the future.

Ms. Sloan

South Suburban
Mayors and Managers
Association

Thomas J. Murawski
President

Beth Ruyle
Executive Director

TESTIMONY

to be presented to

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

on the issue of

PROGRAM FOR REBUILDING THE NATION'S INFRASTRUCTURE

by

BARBARA F. SLOAN

on behalf of

SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION

Matteson, Illinois

October 29, 1990

CHICAGO SOUTHLAND
1154 Ridge Road, Suite 100 • Homewood, Illinois 60430 • (708) 957-6970

My name is Barbara Sloan and I am representing South Suburban Mayors and Managers Association. Our Association is a multi-municipal organisation representing thirty-nine municipalities in Southern Cook and Eastern Will Counties. As such, the Metropolitan Planning Organisation for Northeastern Illinois has designated our Association the Regional Council for this area, responsible for the review, evaluation and recommendations regarding transportation projects of all modes in the Southern Suburbs of the Chicago Region.

I am pleased to have the opportunity to testify at this hearing of the Committee on Public Works and Transportation regarding the rebuilding of infrastructure in our nation. The Transportation Committee of South Suburban Mayors and Managers Association is particularly interested in the new surface transportation legislation and has been active in following its progress through our involvement with the Chicago Area Transportation Study. On behalf of the Transportation Committee, I wish to convey to you some of the issues which concern our Association regarding the upcoming legislation.

Since the mid-1950's, the major focus of surface transportation in the United States has been the interstate highway system. With that system very near completion, it is time to redirect our focus toward a transportation problem of a somewhat different nature: mobility in our urban areas. If left unaddressed, the problem of urban congestion may reach proportions which could bring our major metropolitan areas to a crawl, thus threatening our national economic vitality. The new Surface Transportation Legislation should be directed toward the solution of this problem. An increased proportion of Federal funding should be provided to our nation's urban areas for the purpose of relieving this congestion.

In regard to the Federal-Aid Urban Highway Program, our Association is very supportive of the continuation of this concept in the new legislation. This program has been extremely successful in the South Suburbs as it has been in the entire Chicago region since its inception. We strongly encourage the continuation of this program, or one very similar to it, in which local elected officials have the ability to select and program highway projects on a designated system of roadways which includes those under local jurisdiction. Through this mechanism, priority funding may be identified at the local level in the context of regional planning. Local government is assured a role in maintaining and developing the urban transportation infrastructure. As is currently the case, the Program should continue to function as a pass through process in which a portion of Federal dollars goes directly to the local level. A maximum Federal share of the funding split should be specified, but with an overmatch provision as in current legislation.

Finally, there is certainly no Public Works/Transportation issue more vital to the Chicago Metropolitan Regional area, including Northeastern Illinois and Northwestern Indiana, than the construction of a supplemental commercial airport. Due to the fact that the Chicago region is such a critical center of air traffic for the entire nation, the successful development of a supplemental airport in the shortest time possible is also important to the nation as a whole.

We certainly appreciate the support of the members of this committee for the ongoing Bi-State study process which began one year ago and which is scheduled to be completed next October. It is our expectation that the conclusion of the site selection phase of this process will produce the best site for the region as a whole.

The consulting team, in cooperation with the states of Illinois and Indiana, the City of Chicago, the FAA and the other Federal, State, and local agencies, are made up of extremely qualified experts. We believe that if the technical process remains fair, and in compliance with all laws and regulations with a minimum amount of partisan politics and sub-regional parochialism, the best site will emerge.

We ask your assistance and that of the entire Congress to help our region accomplish those goals.

1. We request your continued interest in the process assuring that it remains a technically fair one.
2. We request continued funding for the site selection and Master Plan phases of the process.
3. Once the region and the FAA come to a consensus on the preferred site, we request adequate federal assistance to commence land acquisition, airport construction funds, and funds to build the necessary highway and mass transit infrastructure to support this new airport.

Together we have a unique opportunity to construct an airport for the 21st century, to serve the greater Chicago metropolitan region and indeed, to serve the nation.

On behalf of the Transportation Committee and the entire membership of South Suburban Mayors and Managers Association, I wish to emphasize the importance of the above items being addressed in any upcoming transportation legislation. We at the local level are depending on the sound judgment of your committee to create a new transportation program which will enable our nation to retain its economic prominence through an efficient and well maintained transportation network.

HICAGO AREA TRANSPORTATION STUDY 300 West Adams Street Chicago Illinois 60606 COUNCIL of MAYORS

TESTIMONY OF

THE HONORABLE DENNIS VALY

MAYOR

NEW LENOX, ILLINOIS

on behalf of

THE COUNCIL OF MAYORS

on the

PROGRAM FOR THE REBUILDING OF THE NATION'S INFRASTRUCTURE

before the

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

UNITED STATES HOUSE OF REPRESENTATIVES

MATTESON, ILLINOIS

October 6, 1990

EXECUTIVE COMMITTEE: DENNIS VALY CHAIRMAN, Mayor, Village of New Lenox JACK B. WILLIAMS VICE-CHAIRMAN, President, Village of Franklin Park VIVIAN M. LUND VICE-CHAIRMAN, Mayor, City of Warrenville VERNA L. CLAYTON IMMEDIATE PAST CHAIRMAN, President, Village of Buffalo Grove

ELIZABETH C. WARREN, President, Village of Glencoe FRANK J. CHULAY, Mayor, Village of Lincolnwood THEODORE J. FORSBERG, President, Village of Barrington LORRAINE POPELKA, Mayor, Village of Forest Park ROBERT F. [illegible], President, Village of LaGrange Park EDMUND DRISCOLL, President, Village of Western Springs ERNEST F. KOLB, President, Village of Oak Lawn DANIEL A. [illegible], President, Village of Worth FRED W. DELANEY, Mayor, Village of Glenwood LOUIS SHERMAN, President, Village of Steger GWENDOLYN S. HENRY, Mayor, City of Wheaton JEFFERY D. SCHIELKE, Mayor, City of Batavia DAVID L. PIERCE, Mayor, City of Aurora BARBARA J. WILLIAMS, President, Village of Vernon Hills CARL [illegible], Mayor, Village of Round Lake Beach WILLIAM J. BUSSE, Mayor, City of McHenry BARBARA KEY, President, Village of Lake in the Hills DONALD L. RANDICH, Mayor, City of Crest Hill

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THANK YOU FOR GIVING ME THE OPPORTUNITY TO TESTIFY ON THE REBUILDING OF OUR NATION'S INFRASTRUCTURE. I AM DENNIS VALY, MAYOR OF NEW LENOX, A TOWN OF 10,000 LOCATED 35 MILES SOUTHWEST OF DOWNTOWN CHICAGO. THE MORE THAN 260 MUNICIPALITIES OUTSIDE OF CHICAGO IN NORTHEASTERN ILLINOIS PARTICIPATE IN TRANSPORTATION PLANNING THROUGH ELEVEN REGIONAL COUNCILS OF MAYORS. I AM CHAIRMAN OF THE EXECUTIVE COMMITTEE OF THESE COUNCILS AND AM TESTIFYING ON THEIR BEHALF TODAY. THE EXECUTIVE COMMITTEE AND THE COUNCILS HAVE SPENT A CONSIDERABLE AMOUNT OF TIME AND ENERGY OVER THE PAST TWO YEARS ON IDENTIFYING OUR INFRASTRUCTURE NEEDS AND WORKING TOWARDS A STRATEGY FOR MEETING THESE NEEDS. WE HAVE COME TO THE CONCLUSION THAT A CRISIS IS IN THE MAKING AND HAVE FORMULATED IDEAS ON HOW TO AVERT THIS CRISIS.

FIRST AND FOREMOST, THE MAYORS SUPPORT A SUBSTANTIAL ROLE FOR THE FEDERAL GOVERNMENT IN URBAN MOBILITY. WE ARE UNITED IN OUR SUPPORT FOR CONTINUATION OF THE FEDERAL AID URBAN PROGRAM OR A PROGRAM VERY SIMILAR TO IT. THIS PROGRAM HAS DONE THE JOB IT WAS INTENDED FOR IN OUR REGION: THE SUCCESS OF REGIONAL PLANNING AND DECISION MAKING AND THE NEAR TOTAL EXPENDITURE OF THE FUNDS ON PROJECTS TO INCREASE THE MOBILITY BETWEEN URBAN COMMUNITIES ARE EVIDENCE OF A GOOD PROGRAM. THE REAUTHORIZATION MUST INCLUDE A PROGRAM WHICH DELIVERS FEDERAL FUNDS DIRECTLY TO LOCAL PROJECTS WITHIN METROPOLITAN AREAS. FOR THE LOCAL ELECTED OFFICIALS, THE RESPONSIBILITY FOR SELECTING AND PROGRAMMING THE PROJECTS FUNDED THROUGH THIS PROGRAM IS OF PARAMOUNT IMPORTANCE SINCE WE ARE THE ONES MOST FAMILIAR WITH THE NEEDS.

THE FOCUS OF THE FUTURE FEDERAL PROGRAM SHOULD BE ON URBAN AREAS TO RETAIN MOBILITY: URBAN MOBILITY IS A NATIONAL CONCERN BECAUSE OUR NATIONAL ECONOMIC VITALITY IS DEPENDENT ON IT.

A SEPARATE FORMULA DRIVEN PROGRAM IS ESSENTIAL FOR URBAN AREAS TO ALLOW FOR CONTINUED EFFORTS TO IMPLEMENT SOLUTIONS TO INTRA-URBAN TRAVEL. PROGRAMS NEED TO HAVE UNIFORM MATCHING PROVISIONS, SO THAT NO LOCAL DECISION MAKING IS DRIVEN BY A PROJECT'S ABILITY TO ATTRACT THE GREATEST FEDERAL PARTICIPATION. THE NEW PROGRAM MUST BE FLEXIBLE—FLEXIBLE IN SUCH A WAY AS TO MEET THE VARYING NEEDS OF DIFFERENT SUBREGIONS WITHIN A METROPOLITAN AREA. THE ABILITY OF THE LOCALS TO OVERMATCH FEDERAL FUNDS IS CRITICAL. IN AREAS THAT HAVE THIS ABILITY, OVERMATCHING ENABLES FEDERAL DOLLARS TO GO FURTHER. THIS OPTION SHOULD BE RETAINED IN FUTURE PROGRAMS.

ANOTHER AREA OF FLEXIBILITY THAT IS OF PARTICULAR IMPORTANCE TO NORTHEASTERN ILLINOIS IS THE ABILITY TO COMINGLE FEDERAL AND PRIVATE FUNDS. AUGMENTING FEDERAL DOLLARS WITH TOLLS, DEVELOPMENT FEES AND IMPACT ASSESSMENTS ALLOW MANY MORE PROJECTS TO BE ACCOMPLISHED WITH FEDERAL DOLLARS THAN OTHERWISE. THE MUNICIPALITIES HAVE WORKED LONG AND HARD TO ENCOURAGE PARTICIPATION BY THE PRIVATE SECTOR IN THE BUILDING AND REBUILDING OF INFRASTRUCTURE. THE STATE LAST YEAR WAS SUCCESSFUL IN PASSING A 6¢ INCREASE IN THE STATE GASOLINE TAX. THE FEDERAL GOVERNMENT MUST SHOW AN EQUAL WILLINGNESS TO SHARE THE LOAD IN ORDER TO FOSTER A HEALTHY ECONOMY. RECENT STUDIES, INCLUDING ONE BY APOGEE RESEARCH, INC., HAVE ILLUSTRATED THE CONNECTION BETWEEN A SOLID INVESTMENT IN INFRASTRUCTURE AND THE COUNTRY'S GNP.

THE AMERICAN PUBLIC IS BEING DECEIVED ON THE MATTER OF USER FEES FOR TRANSPORTATION. AS YOU WELL KNOW, A PORTION OF THESE FUNDS ARE BEING HELD HOSTAGE TO DEFICIT REDUCTION. THIS IS A TOTAL DECEPTION: USER FEES ARE ONLY APPROPRIATE WHEN THEY ARE USED FOR THE PURPOSES FOR WHICH THEY ARE COLLECTED. MONDAY'S HEADLINES ANNOUNCED A BUDGET AGREEMENT THAT INCLUDES A HIKE IN THE GASOLINE TAX FOR DEFICIT REDUCTION. THIS IS A BAD PRECEDENT. ANY INCREASE IN THE FEDERAL MFT SHOULD BE FOR TRANSPORTATION PURPOSES. WAS THERE ANY ATTEMPT ON THE PART OF THIS COMMITTEE TO ASSURE THAT FUNDING FOR OUR PROVEN TRANSPORTATION NEEDS WAS PART OF THIS PACKAGE? ACCORDING TO THE APOGEE STUDY, A SUSTAINED $40 BILLION FEDERAL HIGHWAY PROGRAM COULD GENERATE AN ADDITIONAL $400 BILLION IN GNP AND $29 BILLION IN CORPORATE PROFITS ANNUALLY BY 2012.

THE USDOT'S OWN REPORTS SHOW A TREMENDOUS NEED FOR INVESTMENT IN ORDER TO STAVE OFF FUTURE SUBSTANTIAL INCREASES IN THE COST TO REBUILD INFRASTRUCTURE. A 1989 REPORT TO CONGRESS BY USDOT IDENTIFIED 40% OF THE PAVEMENT ON THE FEDERAL SYSTEM AS IN POOR OR FAIR CONDITION AND 28% OF THE BRIDGES AS STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE. CONDITIONS IN NORTHEASTERN ILLINOIS PARALLEL NATIONAL NEEEDS. THE USDOT SAID A 20-YEAR, $40 BILLION ANNUAL INVESTMENT WOULD BE NECESSARY TO MEET EXISTING HIGHWAY CAPITAL NEEDS. THAT WOULD BE $25 BILLION ABOVE THE CURRENT ANNUAL FEDERAL HIGHWAY SPENDING. FEDERAL FUNDS MUST BE PART OF THE MIX THAT REBUILDS OUR TRANSPORTATON SYSTEMS.

TO SUM UP OUR RECOMMENDATIONS ON REBUILDING OUR GROUND TRANSPORTATION INFRASTRUCTURE: WE NEED A PROGRAM THAT IS FLEXIBLE, FORMULA DRIVEN AND RETAINS THE ABILITY OF THE LOCAL ELECTED OFFICIALS TO SELECT AND PROGRAM PROJECTS. IN ADDITION, THE FUNDING FOR THE FEDERAL AID URBAN OR SIMILAR PROGRAM MUST BE INCREASED. THE FEDERAL FUNDING FOR THIS PROGRAM STAYED THE SAME FOR OVER A DECADE, EVEN AFTER THE FEDERAL MOTOR FUEL TAX INCREASE IN 1983. IN THE LAST ACT, THE FUNDING FOR THE FAU PROGRAM DECREASED.

FINALLY, LET ME TURN MY ATTENTION TO AIRPORTS. THE COUNCIL OF MAYORS HAS BEEN AN ACTIVE PARTICIPANTS IN THE ONGOING CONSIDERATION OF A SUPPLEMENTAL AIRPORT FOR OUR REGION. AS YOU ARE AWARE, ILLINOIS AND INDIANA ARE CURRENTLY UNDERTAKING A STUDY TO DETERMINE THE LOCATION OF A SUPPLEMENTAL AIRPORT FOR OUR REGION. WE NEED SUFFICIENT AIRPORT CAPACITY TO KEEP UP WITH RISING DEMAND. IT IS IN THE ECONOMIC INTEREST OF OUR AREA TO DO SO. FROM A NATIONAL PERSPECTIVE, ADDITIONAL COMMERCIAL AIRPORT CAPACITY IS NEEDED, ESPECIALLY IN A STRATEGIC AREA SUCH AS THE CHICAGO REGION. A BISTATE STUDY CONCLUDED THAT ADDITIONAL AIRPORT CAPACITY WILL BE NEEDED IN THE NEAR FUTURE. THE FEDERAL GOVERNMENT SHOULD BE A MAJOR SOURCE OF FINANCING FOR DEVELOPING THIS ADDITIONAL CAPACITY.

THIS CONCLUDES MY TESTIMONY. AS YOU HEAD BACK TO WASHINGTON AND CONTINUE TO WORK ON BALANCING THE DEMANDS FOR INCREASED TRANSPORTATION FUNDING WITH THE VERY REAL NEED OF REDUCING THE DEFICIT, PLEASE REMEMBER THE LINK BETWEEN INVESTMENT IN OUR NATION'S INFRASTRUCTURE AND OUR NATIONAL PROSPERITY.

AGAIN, THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO PRESENT THE CONCERNS AND IDEAS OF THE COUNCIL OF MAYORS.

VILLAGE OF PLAINFIELD
WILL COUNTY'S OLDEST COMMUNITY

October 2, 1990

Representative George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20008

Dear Representative Sangmeister:

Thank you for the opportunity to provide testimony before the U.S. House Committee on Public Works and Transportation. Deterioration of public infrastructure is a serious concern which must be addressed at all levels of government. Only through a concerted effort can progress be made in rebuilding and maintaining existing public infrastructure upon which we will depend.

To best explain the conditions of local infrastructure in Plainfield, allow me to provide a brief background of our community. The Village of Plainfield, Illinois is Will County's oldest community. Established in 1829 Plainfield pre-dates the formation of the County in which it resides. The neighborhoods of the central core area of the Village are filled with historic churches, homes and businesses. Transportation systems such as the Elgin, Joliet and Eastern Railroad, the Lincoln Highway (one of this country's first transcontinental highways) and U.S. Route 66 helped spur development.

Today, Plainfield is a rapidly growing community of about 5,000 people. New residential subdivisions are being developed to the north, south, east and west. Road systems such as Illinois Routes 59 and 126, U.S. Route 30 and Interstate 55 serve our community. The E.J.&E. Railroad continues to provide rail services via two lines through the Village.

In a Village such as Plainfield, financial resources are limited. While private funds (by developers) provide capital to install infrastructure in new subdivision developments, local funding is required for maintenance and repair of all systems. Costs are also incurred when updating infrastructure to meet ever increasing state and federal regulations for water quality and environmental protection.

400 NORTH DIVISION STREET • PLAINFIELD, ILLINOIS 60544 • (815) 436-7093

Representative George E. Sangmeister
October 2, 1990
Page Two

As a result of Plainfield's mixture of old and new development, local infrastructure has a broad range of needs. Older neighborhoods are still served with 2" and 4" water mains, water towers are aging and are in need of major maintenance procedures. Some combined sanitary and storm sewer lines are still in operation. Problems resulting from storm water inflow and infiltration must be resolved. Several local streets are without curbs and gutters and storm sewer systems. In some areas, streets are narrow having been built prior to modern transportation methods.'

The E.J.&E. railway viaduct over Illinois Route 59 is dangerously narrow making it difficult for two trucks to pass in opposite directions. The viaduct also experiences flooding during heavy rains. Funding has not been available for the needed improvements. Route 59 is a major regional highway serving over 20,000 vehicle daily.

Plainfield is not alone in its need for infrastructure upgrades. The burden on local government is too great to bear alone. For this reason, assistance from Federal and State levels is required to meet our community needs.

Thank you for this opportunity to express the concerns of my community on this important issue.

Sincerely,

Mary T. Latta

Mary T. Latta
Village President

MTL:kj

SUBMISSION FOR THE RECORD FROM GORDON McCLUSKEY

Joliet/Will County Center for Economic Development
Two Rialto Square, 116 N. Chicago Street, Joliet, IL 60431 • (815) 723-1800 • FAX (815) 723-6972

TRANSPORTATION COMMITTEE RECOMMENDATIONS FOR REGIONAL WILL COUNTY TRANSPORTATION PROJECTS

These projects are transportation projects that would regionally benefit Will County and are not listed in any priority order.

- An interchange at Houbolt and Interstate 80.
- Widening and signalization of Route 53 from Ruby Street in the City of Joliet to Joliet Road (I-55) including high level bridge at Ruby Street in the City of Joliet.
- Construction of a high level bridge connecting Caton Farm Road and Bruce Road.
- Widening and signalization of Route 59 from I-55 to the Will/DuPage County line.
- Construction of Federal Aid Primary 431 from Interstate 55 to Interstate 80.
- Third Airport.
- Fox Valley Freeway.
- South Suburban Expressway.
- Mass Transportation Regional Network.
- Widening and signalization of Route 30 from I-80 to Will County-Cook County Line.
- Interchange on I-57 at Stunkel Road.

7-31-90

1830

City of Lockport
Central Square

October 3, 1990

Representative George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20008

Dear Representative Sangmeister:

In response to your correspondence dated September 6, 1990 indicating a local meeting of the U. S. House Committee and offering an opportunity for both oral and written testimony, the Lockport City Council has requested that the following infrastructure needs of our community and/or the area be provided.

Exhibit A, which is supported by council action on October 1, 1990, is the Will County Transportation needs in an unprioritized order

Exhibit B is Lockport's Transportation Short and Long-Term Goals.

In particular, one of our Transportation Long-Term Goals-the High Level Bridge at Bruce-Caton Farm Rd is now a top priority. With the recent unannounced closing of the 135th Street (Romeo Rd) bridge and the prior closing of the Divisions Street bridge, all traffic is now rerouted through Lockport. At peak times east of the 9th St.high level bridge we have grid lock on Rt 7 in Lockport east to Lincoln Street and on the west on Rt 53 north to Lewis university.

We need another high level bridge. We feel the location at Bruce-Caton Farm Rd for the next high level bridge offers a greater area wide benefit in that it could connect with the south leg of I-355 (Lake-Will Tollway) to Illinois Route 171,53,30,55,59 and westerly to 47 and 71 to become a local east west interconnect between 80 and 88.

Both of these Exhibits confirm our need for continued Federal support and continued funding through the Highway Act and funding for the local Joliet Urbanized Council of Mayors.

222 E. Ninth Street, Suite 4, Lockport, Illinois 60441-3497
Phone (815) 838-0549 Fax: (815) 838-9498

Exhibit C is a copy of correspondence to Ill. Legislators Wennlund and Dunn which further illustrate the type of infrastructure needs of the city including storms sewers installation, sanitary sewer improvements, emergency alert sirens, public works equipment and local health programs.

Two of these items are highlighted by the recent Plainfield/Joliet tornado and lack of notice and the very wet summer which produced a bumper crop of mosquitos. It is my understanding that had the Doppler radar been available we might have had a more formal notice that the actual touchdown. Such an installation is proposed at the expanded Lewis University airport project by the Joliet Port Authority.

We would like the designation of a Federal Disaster Area to include or initiate further action on the moving of the weather station from Marseilles to Lewis University.

There other condition that the City of Lockport needs:

Historic downtown improvements and revitalization.

Illinois and Michigan Canal improvements including dredging, maintenance, and established water flow to promote tourism in the National Corridor.

Enterprise Zone opportunities offered with tax abatements that are not spread over the existing population.

Regrettably time does not allow further oral comments at this time.

The Lockport City Council and our citizens thank Chairman Anderson,the Committee and you George for this opportunity to make our public statement.

Very truly yours

Robert A. Wynveen
Mayor

RECEIVED
MAY - 3 1990

ENGINEERING
PLANNING
MANAGEMENT

303 EAST WACKER DRIVE
SUITE 800
CHICAGO, IL 60601
FAX 312/938-1109
312/938-0300

May 1, 1990

Mr. Gordon McCluskey
City Administrator
City of Lockport
Central Square
222 East Ninth Street
Lockport, Illinois 60441

Reference: Joliet/Will County Center
for Economic Development
Municipal/Transportation Needs

Dear Gordon:

In accordance with your request, we have listed below Short-Range Goals (within 5 years) and Long-Range Goals (within 10 years) of possible transportation needs. While the request is for municipal needs, we feel that the list should include major improvements likely to be required in the Lockport area regardless of the present Municipal Boundaries.

SHORT-TERM GOALS:

1. Completion of the Farrel Road FAUS project from Illinois Route 7 to Division with an extension south to Bruce Road and north to Illinois Route 171.
2. Improve Gougar Road from Division to Bruce, and Bruce from Gougar to Farrel Road.
3. Improve intersection of Illinois Route 171 with Illinois Route 7.
4. Complete planned improvement of Illinois Route 171 from Illinois Route 83 to Joliet.
5. Complete planned improvement of Illinois Route 53 from I-55 to Joliet.

CONSOER
TOWNSEND
&
ASSOCIATES

Mr. Gordon McCluskey
City of Lockport
Lockport, Illinois
May 1, 1990
Page 2

LONG-TERM GOALS:

1. Improve Bruce Road from Farrel Road to Illinois Route 53 across the Des Plaines with a new high level bridge. Extend east to Oak Lawn.
2. Build FAP-431 as a freeway or toll road from I-55 to I-80 including an interchange at Bruce Road.
3. Widen Illinois Route 7 to four lanes from Illinois Route 53 to Oak Lawn.
4. Develop Gougar Road to arterial standards from Route 171 and State Street to south of I-80.
5. Develop Cedar Road to arterial standards from 143rd Street to U.S. 30.

If you need additional information, please contact us.

Vary truly yours,

CONSOER, TOWNSEND & ASSOCIATES, INC.

Redio Ceppi
Vice President

RC:eek

CONSOER
TOWNSEND
&
ASSOCIATES

City of Lockport
Central Square 222 E. Ninth Street — 838-0549
Lockport, Illinois 60441
– Council Meets First and Third Mondays
FAX NO. 815-838-9498

ROBERT A. WYNVEEN, Mayor
EDWARD J. ROSSETTO, Clerk
PHILLIP E. WILLIAMS, Treasurer
RONALD L. CANEVA, City Attorney
GORDON M. McCLUSKEY, City Adm.

April 24, 1990

Mr. Larry Wennlund
State Representative·84th District
1234 N. Cedar Road
New Lenox, Illinois 60451

Dear Mr. Wennlund:

This letter is in response to legislative inquiries as to how the City of Lockport is spending funds received as a result of the temporary two year state income tax increase.

Receipts from the first allotment received in August 1989 through March of 1990 total $130,695.59. This money along with future receipts has been expended or obligated for projects and equipment purchases that we feel meet the intent of this revenue source. Following is a summary of these projects and equipment:

1. Sanitary Sewer and Water-North Madison. This area has been without these city services, yet have been paying taxes to retire debt service funding the primary sewerage treatment plant in 1958, secondary treatment in 1969, and advanced treatment in 1988. Currently no city water is being provided to these residents. Total project cost $280,000.00.

2. South End Storm Sewer-To construct storm sewers that will provide drainage and alleviate serious flooding in the south end of Lockport. Project cost is $315,000.00.

3. Purchase of Emergency Alert Sirens-the city has embarked on a large scale program to provide enhanced emergency warning to all citizens. Initially we replaced our only siren, donated to us by Commonwealth Edison in the 1950's. Recently we purchased two (2) additional sirens to provide coverage to areas not previously adequately covered. Two additional sirens will be purchased to insure complete coverage of our emergency warning system. Total project cost $65,000.00.

4. Replacement of major Public Works equipment, such as a new backhoe, salt truck and spreader, and various other equipment, allowing additional safety for employees and more efficient and timely city services.

5. Mosquito, Nuisance and Encephalitis Control Program-The Asian Tiger mosquito, an aggressive biter and notorious disease carrier, has established itself in Northern Illinois. The wet spring will likely produce a large population of the insects. Total project $15,000.00 per year cost.

6. Improvements to our Railroad Crossing Warning System - $20,000.

The surcharge revenues have been or will be used for projects and equipment that will enhance our ability to provide for a better and safer quality of life for our citizens. None of these funds will be used for normal operating costs.

Further, we are concerned that pending legislation such as SB 225 - DeAngelis may eliminate allocations to municipalities.if the surcharge becomes permanent. The City of Lockport strongly supports the continuance of the 2% State Income Tax surcharge to enable us to continue to provide vital services to the citizens of our community.

Very truly yours,

Robert Wynveen
Mayor - City of Lockport

RAW/cln

cc: Thomas Dunn
Dick Curran

CT&A

Consoer, Townsend & Associates, Inc.
Consulting Engineers

February 12, 1988

Mr. Peter Piazza
Township Highway Commissioner
c/o Township Highway Clerk
222 East Ninth Street
Lockport, Illinois 60441

Subject: High Level Vehicular Bridge
in Lockport Township
Feasibility Study and Report

Dear Mr. Piazza:

We are pleased to transmit twenty five (25) copies of the report on the Feasibility Study for a new high level vehicular bridge in Lockport Township. It has been a pleasure to work on this important project for the Township. We are confident that the information developed in this report will facilitate future transportation planning for the entire area.

If you should have any questions pertaining to the study, or the findings documented in this report, please contact us.

Very truly yours,

CONSOER, TOWNSEND & ASSOCIATES, INC.

By
Paul K. Morris, P.E.
Senior Project Engineer

Encs.

PKM:BKL:ms

303 East Wacker Drive, Suite 600 Chicago, Illinois 60601 312/938-0300 FAX 312/938-1109

FEASIBILITY STUDY FOR A NEW HIGH LEVEL BRIDGE
OVER THE DES PLAINES RIVER/CHICAGO SANITARY AND SHIP CANAL
IN LOCKPORT TOWNSHIP, ILLINOIS

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I. INTRODUCTION

This report identifies alternative locations for a new high level vehicular bridge over the Des Plaines River/Chicago Sanitary and Ship Canal in Lockport Township. Various alternatives are reviewed to consider the feasibility of each and to recommend the location which appears most promising. The option of widening the existing high level bridge in lieu of constructing a new high level crossing is also addressed.

The western Will County area is traversed by the Des Plaines River valley, with its inherent restrictions on vehicular movements across it. In Lockport Township, the river valley runs north-south, with relatively equal parts of the Township on each side of the river. There is one high level bridge at Illinois Route 7, near the geographic center of the Township. The only other crossing is the system of structures for 135th Street, along the northern boundary of Lockport Township.

Local officials of Lockport Township, Lockport and Crest Hill have recognized the impact which vehicular river crossings have upon many aspects of their governmental responsibilities. They are aware that there will be future traffic benefits and demands generated by the proposed construction of FAP 431 and the improvement of Weber Road. This study and report provides technical documentation for both the assessment of need and the feasibility of location for improved river crossing capacity in Lockport Township.

The study area is the Des Plaines River valley in Lockport Township, between Illinois Route 53 on the west, Illinois Route 171 on the east, and the entire north-south limits of the Township (135th Street on the north and Theodore Street/Rosalind Street on the south). The study will also note those conditions beyond these limits which affect the study area.

The following report was developed utilizing information contained in the Will County Highway Study Recommended Long-Range, Major Improvement Program, prepared in 1984, as well as current aerial photography, property maps, and traffic maps prepared by the Illinois Department of Transportation. In addition, background information was obtained through discussions with staff members of the Will County Planning Department, and the Illinois Department of Transportation.

II. NEED FOR IMPROVEMENT

Officials of Lockport Township have initiated this study in response to their need to address transportation planning for the future of the area. Other studies have identified the need for improved access across the river valley. These past transportation studies have concluded that there is a need for additional high level crossings in the study area. The Joliet Area Transportation Study of 1969 recommended two additional high level bridge crossings under "Transportation Needs of 1985", at the Caton Farm Road/Bruce Road corridor, and at the then proposed Fox Valley Freeway. The freeway plan has since been abandoned.

Review of the distribution of existing population shows greater concentration in the south part of the Township, south of 159th Street. Capacity improvements north of this area will serve to reduce demand at the existing river crossings, but with diminishing effect. However, as corridors closer to Romeoville are considered, the demand increases again. With anticipated future development both east and west of the river valley, river crossing demand is likely to become more evenly distributed. Therefore, evaluation of the full length of the river valley within the Township is appropriate.

The 1984 Will County Long-Range Highway Plan identified increased traffic capacity across the river valley as being critical to the County's future needs. That report recommended widening the 135th Street bridge over the Des Plaines River to four lanes, and construction of a new high level bridge over the Sanitary and Ship Canal and the Santa Fe tracks. This 1984 report used the entire county as its study area, and identified 135th Street improvements as having the potential to fit a long-range concept to improve 135th Street across the entire county.

Transportation planning studies, roadway improvements and land use developments have continued since the 1984 Will County study. Those with particular importance to this feasibility study include IDOT's project study for FAP 431, Will County's improvements to Weber Road and IDOT's study for a new high level bridge in Joliet at Ruby Street (Illinois Route 53). The first two of these increase the potential for demand of east-west vehicular movements.

Weber Road has been improved by the County to a four lane arterial roadway. County and municipal officials hope to include a Weber Road interchange on Interstate 55 among future improvements. The existing upgraded roadway, and the potential interchange, combined with land use trends along this north-south corridor, represent potential for further development. This would result in an increase in demand for east-west movements across the river valley.

FAP 431 is an extension of the North-South Tollway's alignment, from I-55 at the north to I-80 at the south. It is under study and recommendations for project alignment and interchange locations are not final. However, the corridor, as presented in the first public information meeting, is immediately east of Lockport Township in Homer Township, west of Gougar Road. The tentative interchange locations are essentially the same as the original proposal, and include 127th Street, Illinois Route 7/159th Street, Bruce Road and Illinois Route 6. Public input was obtained at the meeting and IDOT has begun preliminary technical review. The construction of FAP 431, with interchanges at these locations would create a strong potential for development in this area.

The County planning staff has indicated that it would be desirable to upgrade Gougar Road as a north-south arterial street, in the same corridor as FAP 431. This interest is independent of the FAP 431 project, since it would serve residential and other development in Homer Township.

The study area is the link between these north-south corridors of both existing development and future development potential. Future development on both sides of the study area will increase the demand for east-west movements across the river valley. Under the present conditions, there is peak hour traffic congestion at the Illinois Route 7 bridge which backs up in all directions from the intersection of Illinois Route 7 and Illinois Route 171. Queues extend well onto the existing high level bridge. The existing traffic congestion at Illinois Route 7, the limited number of existing east-west crossing locations, and the projected increase in demand for east-west movement across the river valley, highlight the need for improved river crossing capacity.

III. EXISTING CONDITIONS

Topographic Features

The river valley contains a dense north-south linear system of waterways, railroads and roadways. All of these features must be considered in reviewing existing conditions and subsequently in analysis of locations for crossing improvements.

The parallel waterways include, from west to east, the Des Plaines River, the Chicago Sanitary and Ship Canal, Long Run Creek (through most of the study area), and the Illinois and Michigan Canal (I & M Canal). See Exhibit 1. The Des Plaines River is immediately west of the shipping canal and is broad and relatively shallow. The River has multiple channels at the north study limits. The river channels converge and become more sharply defined at the south end of the study area, before confluence with the Sanitary and Ship Canal.

The other two waterways are smaller, with less impact on east-west vehicular crossings. Long Run Creek is east of the Sanitary and Ship Canal, conveying drainage from the north-east and east. It parallels the shipping canal, but at a much lower elevation, until the canal steps down at the Lockport Locks, and is joined by Long Run Creek. The I & M Canal, a small non-operating canal on the east side of the river valley, is the object of much local historical society activity and the core of the designated National Heritage Corridor. In the study area both Long Run Creek and the I & M Canal are narrow.

Two railroads run along the east side of the River through the study area. The Atchison, Topeka and Santa Fe Railway (Santa Fe) is immediately east of and parallels the Sanitary and Ship Canal; the Illinois Central Gulf Railroad (ICG) is immediately west of New Avenue and Illinois Route 171. These two railroads are generally about one half mile apart. The ICG has more grade crossings, as it is immediately adjacent to developed areas. The Santa Fe's proximity to the Sanitary and Ship Canal limits the vehicular crossings to those which also cross that canal.

The Industrial Railroad, west of the River, is the third rail facility in the river valley. There are numerous industrial sidings on both sides of the river throughout the study area and also a freight classification yard for Santa Fe at the very south end of the study area. A fourth railroad, the Elgin, Joliet and Eastern Railway (EJ&E) crosses the river valley near the southern limits of the study area. It has a lift bridge over the canal, and crosses above Illinois Route 53, the Santa Fe, and the ICG on fixed bridges.

North-South Roadways

The two principal north-south roadways in the study area are Illinois Route 53 on the west and Illinois Route 171 on the east. Each of these two roadways intersects the existing east-west river crossings of 135th Street and Illinois Route 7. The scope of this study is focused on the evaluation of increased traffic carrying capacity between these two north-south roadways.

Weber Road, west of Illinois Route 53 and Gougar Road, east of Illinois Route 171 are additional north-south roads which will become increasingly important traffic carriers as the County Highway Improvement Program is implemented.

Existing River Valley Crossings

Within the study area, 135th Street had a 1980 Average Daily Traffic volume (ADT) of 8,800 vehicles per day. The two lane bridges for 135th Street consist of four box culvert, or simple span type structures spanning the multiple channels of the Des Plaines River. A swing bridge crosses the Sanitary and Ship Canal, with a circuitous approach roadway on its east side. The roadway makes a right-angle turn at the east abutment and traverses down the canal embankment, south of the bridge, to meet grade. Two more right angle turns provide an at-grade crossing at the Santa Fe and turn the direction back to the north along the railway. A fourth right angle turn puts 135th Street back on its east-west alignment. This "U-approach" to the east side of the canal bridge has been identified as a priority for safety improvements. The elevation of the existing bridge deck is too low to allow an adjacent bridge to span the Santa Fe for a continuous straight alignment. Railroad operations of the Santa Fe and the ICG disrupt traffic flow along 135th Street.

East of the study area, 135th Street is already a minor arterial street, with existing residential development set back from the right of way. West of Illinois Route 53, in Romeoville, existing development is closer to the road. Overall, these factors combine to make this corridor a promising location for a new high level bridge.

As one of the limited number of river crossings in the County, the importance of the 135th Street corridor is obvious. It was included in the 1984 Long-Range County Highway Plan, with the recommendation to widen the four existing two lane Des Plaines River bridges to four lanes, and construct a new high level bridge over the Sanitary and Ship Canal and the Santa Fe.

Illinois Route 7 is the only high level bridge in the study area. It was constructed in 1969 by the Illinois Department of Transportation. It is a two lane, 60 foot wide concrete structure, with a 1982 ADT of 17,900 vehicles per day. It is not affected by bridge openings and Santa Fe Railroad operations. However, traffic operation in this area is adversely affected by the at-grade crossing of the ICG railroad, and the traffic signal at Illinois Route 171. East of Illinois Route 171, the Route 7 corridor is densely developed to the east of Thornton Street.

Division Street is in an established river crossing corridor. The Sanitary and Ship Canal bridge was closed six years ago and subsequently torn down. The approach roadways and sub-standard river bridges to the west are in place. On the east, the approach roadway crosses the ICG at grade, a bridge spans the I & M Canal and a second bridge spans both the Santa Fe and Long Run Creek. Local traffic uses the I & M Canal bridge. The Santa Fe-Long Run bridge provides vehicular access to the east bank of the Sanitary and Ship Canal and access to the service roadway for the locks. Prior to the bridge closing, Division Street had an ADT of 6,000 vehicles per day.

Other East-West Roads

The other primary east-west roadways which serve the area intersect with Illinois Route 53 on the west and Illinois Route 171 on the east. Consequently, the most appropriate locations to investigate for a potential new river crossing are those areas where the adjacent street system is already in place.

These other existing east-west roadways include the following:

- Taylor Road/143rd Street
- Airport Road/151st Street
- Caton Farm Road/Bruce Road
- Theodore Street/Rosalind Street

The area between the end of Taylor Road and the end of 143rd Street is presently developed only along the south side, from Illinois Route 171 to High Road. The north side of the existing right of way is undeveloped. West of the River, the alignment would traverse the Material Service quarry. The fact that the area between the termini is presently undeveloped would partially offset the fact that new roadways and rights of way would be required. Right-of-way acquisition would have to compensate for loss of mineral rights. Illinois Route 53 and Illinois Route 171 are approximately three miles apart here. East of Illinois Route 171, development is minimal, with residences set well back from the road.

The area between the end of Airport Road and the end of 151st Street has little development, except for the tank farm of the Texaco Refinery. This two mile long alignment crosses one half mile of the Texaco refinery site. While the refinery is currently not operating, future operation of the refinery is possible. Use of this location, through the tank farm, could be interrupted during any refinery emergencies. This alignment would also traverse the Material Service quarry. Between Illinois Route 171 and the FAP 431/ Gougar Road corridor, there is about 3/4 mile of existing residential development along 151st Street. These residences are set back from the road.

The area between the end of Caton Farm Road and the end of Bruce Road is the least developed of any of the alternative corridors. The only developments of any kind along this one mile long alignment are the locks and the commercial properties along the west side of Illinois Route 171. East of Illinois Route 171; Bruce Road has existing residential development set back from the road, for about 1 mile. Farther to the east, there is little adjacent development.

The area between the end of Theodore Street and Rosalind Street is one of the most densely developed portions of the river valley. Immediately east of Theodore Street is an industrial park, with the extended Theodore alignment shifted to the north. This corridor is about 1.25 miles long. There is a sewage treatment plant between the industrial park and the River. The alignment is just south of the confluence of the Des Plaines River and the Sanitary and Ship Canal. The centerline defines the north boundary of the State Prison property, east of Illinois Route 171.

IV. ALTERNATIVES

In addition to providing increased river crossing capacity, evaluation of the roadway connections required to complete the link between Illinois Route 53 and Illinois Route 171 must consider the characteristics of the east-west corridors, beyond the river/canal area. Options which are incapable of providing route continuity between Weber Road and FAP 431 will not serve the future transportation needs for the area. Likewise, options which would provide continuity, but with facilities that could not reasonably be upgraded to handle the additional traffic volumes, can not be considered as appropriate solutions.

According to the 1984 highway study, a new four lane high level bridge crossing at 135th Street would provide the capacity to meet the projected demand in that corridor. However, even if both the Illinois Route 7 and Ruby Street bridges also had four lanes each, projected demand indicates the need for an additional crossing in the southern part of Lockport Township.

A new two lane facility could accommodate the anticipated traffic demand, however planning for ultimate widening to four lanes should be included in the design of the original construction. For the purpose of this feasibility study, it is assumed that improvement of existing river crossings would provide a four lane facility, whereas construction of a river crossing at a new location would only require an initial two lane cross section.

Romeoville Road/135th Street

Providing a four lane facility in this corridor would require two structures, one to cross the Des Plaines River, and a second to cross the Sanitary & Ship Canal, the Santa Fe, the I & M Canal. The existing road would need to be widened for approximately 1,700 feet, between Illinois Route 53 and the beginning of the River bridge. The River bridge would be approximately 2,200 feet long, and should be placed on the north side of the existing roadway alignment. A portion of new road would need to be constructed to maintain at grade access to the Commonwealth Edison power station. The second bridge would be 1,100 feet long, beginning east of the Edison entrance, and crossing the south side of the existing road alignment, east of the I & M Canal. A portion of new road would need to be constructed to maintain access to the refinery, grain elevator, and other abutting land uses. At grade crossings of the ICG and New Avenue would be provided. Acquisition of additional right of way would be required along most of the length of this corridor. The total length of new roadway would be approximately 3,600 feet. The estimated cost of this option is $25.8 Million.

Taylor Road/143rd Street

A river crossing in this corridor would be on an entirely new location. It would require the construction of about 2,300 feet of new roadway between Illinois Route 53 and the new bridge. The high level structure would span the Industrial railroad, the Des Plaines River, quarry pits, the Sanitary and Ship Canal, and the Santa Fe. Two other structures would span the ICG, New Avenue, High Road and Long Run Creek. The bridges would be 4,300 feet in length. Approximately 6,000 feet of the existing 143rd Street would have to be reconstructed, between the end of the New Avenue bridge and Illinois Route 171. About 2,300 feet of new roadway would be needed between the I & M Canal, and New Avenue. An at grade intersection would be provided at Smith Road. The alignment would require the relocation of the crusher in the Material Service quarry. The cost of acquisition of mineral rights, construction in the quarry, and disruption of quarry operations is likely to be prohibitive. The estimated cost of this alternative is $27.6 Million.

Beyond the study area, 143rd Street and Taylor Road have not been targeted for major improvements. East of Illinois Route 171, 143rd Street is a secondary arterial. However, it is possible that the Illinois Department of Transportation could locate a future FAP 431 interchange at 143rd Street.

Airport Road/151st Street

This corridor would also require the construction of a road on new alignment. Four structures, totalling 3,300 feet long would be required to span all four railroad facilities in this location, the Des Plaines River, the Sanitary and Ship Canal, the I & M Canal, Long Run Creek, and New Avenue. Approximately 3,700 feet of new roadway would be required between Illinois Route 53 and New Avenue, including the portion through the Texaco refinery tank farm. About 2,700 feet of new road would need to be built between the east end of the New Avenue bridge, and Illinois Route 171. An at grade intersection would be provided at High Road.

It is unlikely that an interchange could be provided on FAP 431 at 151st Street due to the proximity of the future interchange at Illinois Route 7, a State marked route. Current interest in an airport industrial park could potentially increase traffic on Airport Road, west of Illinois Route 53. The lack of a connection to FAP 431, coupled with the expensive acquisition and construction costs in the quarry, would indicate that this option should be eliminated from in-depth consideration. The estimated cost for this improvement is $20.5 Million.

Renwick Road/Illinois Route 7

Improvement on this location would consist of widening about 2,000 feet of existing roadway as well as three bridges. In addition to the high level bridge, there is one bridge over the Industrial railroad near Illinois Route 53, and one over the I & M Canal. The high level bridge is wide enough to accommodate four lanes, if shoulders were not provided, and it is approximately 3,000 feet long. In order to bring the bridge up to standards and capacity for a multi-lane facility, widening by 12 feet would be necessary. The estimated cost for upgrading this connection is $4.2 Million.

This work would achieve the initial goal of increasing river crossing capacity, but without extensive modifications to the traffic system in downtown Lockport, and along Illinois Route 7 to the FAP 431 corridor, the increased capacity would not improve traffic operation in the Township. In fact, the conditions of delay in Lockport would probably worsen.

Stateville Road/Division Street

The improvement would require the rehabilitation of the existing roadway for approximately 2,000 feet west of the River. The new high level structure would be 2,000 feet long, spanning the Des Plaines River, the Sanitary and Ship Canal, and the Santa Fe. A second 400 feet long structure would span the I & M Canal and the ICG tracks. The existing structure over the Industrial railroad would have to be rehabilitated, or replaced. The new roadway would meet the existing intersection of Division Street and Illinois Route 171, however, the grade of the intersection may need to be raised. About 1,000 feet of new roadway would need to be constructed between the two new bridges. The estimated cost for re-instating traffic flow on a new high level facility here is $12.7 Million.

This corridor is constrained by its former function as a low-level bridge crossing with direct access to adjacent properties. The approach embankment, on the east side, tightly abuts residential development and the waste water treatment plant. Raising the elevation of the approach roadway for a high level bridge would be complicated, with impacts on existing houses and development and the existing access to the locks. If a new high level bridge were to be constructed here, then replacement access must be provided to the residential properties, as well as the sewage treatment plant and the locks. This new access would need to intersect with Illinois Route 171 either north or south of the present Division Street intersection, crossing the I&M Canal and the ICG tracks.

East of Illinois Route 171, the proximity of existing residences to the Division Street right of way limits the potential for widening the street to accommodate the additional traffic volume which would be generated by a high level river crossing. This would limit the ease and potential of improved traffic capacity and continuity serving a high level bridge at this location. The proximity to the Illinois Route 7 bridge would cause a reduction in downtown Lockport traffic, if a connection to the FAP/Gougar Road corridor is provided. Otherwise, through traffic using the new bridge would still be required to enter the downtown area. The fact that there is an existing river crossing corridor here must be balanced against the impacts which would be caused by upgrading the extended facility to the east.

Caton Farm Road/Bruce Road

A new river crossing on this alignment would require two structures, totaling 2,300 feet long, to span the Des Plaines River, the Santa Fe and ICG railroads, the locks of the Sanitary and Ship Canal and the I & M Canal. Approximately 3,000 feet of new roadway would be required. There would be an at grade crossing of the Industrial railroad, near the west end of the alignment. The new link would connect the existing at grade intersection of Caton Farm Road and Illinois Route 53, with the intersection of Bruce Road and Illinois Route 171. The alignment is sufficiently far north so as to avoid involvement with the landfill which was constructed on the west side of Illinois Route 171. The estimated cost is $11.9 Million.

This location has desireable characteristics, and its position in southern Lockport Township would be a good fit to satisfy the demand for east-west movement. It is midway between Illinois Route 7 and Ruby Street. The overall link between Illinois Route 53 and Illinois Route 171 would be relatively short; shorter than all except the Theodore Street/Rosalind Street corridor. No existing land use or development, between these two routes, blocks this link or impacts through traffic. The topography is a gradual slope to the River Canal. Down stream of the Lockport locks; the elevation of a new bridge would be reduced. The waterways have well defined banks here. Since Illinois Route 171 is on top of the bluff here, a high level bridge would meet it after passing above the adjacent ICG tracks. The roadway would be all new construction. This would accommodate demand for river-crossing in this corridor.

Beyond the study area, there is excellent route continuity, primarily because preliminary plans for FAP 431 have always shown an interchange at Bruce Road. However, the existing facility is not up to multi lane standards. Bruce Road is a County Highway east of the area, swinging north to 167th Street as it continues. Caton Farm Road and Bruce Road exist up to intersections with Illinois Route 53 and Illinois Route 171 respectively.
Caton Farm Road has minimal development, west to Weber Road. Bruce Road has some residential development, but it is signifi-

cantly less dense than the other urban corridors. This would mean fewer impacts resulting from upgrading this existing collector street. Because of its location on a section line, future improvement of Bruce Road may occur without the river/canal crossing, but the improvement would likely be less extensive.

Physical characteristics, existing and projected development, location suited to demand for river crossing and compatibility with long range transportation plans make this a promising location for a new high level bridge.

Theodore Street/Rosalind Street

An improvement in this corridor would include a 3,500 feet long structure with extra high piers, because east of the Sanitary and Ship Canal are the Santa Fe and ICG rail lines, with the EJ&E tracks spanning above them via embankment and bridges. This double stacked rail network is immediately west of Illinois Route 171, which is at the base of the limestone bluff. A high level bridge here, spanning the intersecting railroads, could not intersect at grade with Illinois Route 171. If connections to Illinois Route 171 were to be provided, it would have to be in the form of ramps located east of Illinois Route 171. The west end of this river crossing would require the reconstruction of approximately 2,000 feet of roadway through the industrial area east of Illinois Route 53. An additional 3,000 feet of new roadway would be required to connect the discontinuous pieces of Rosalind Street to Farrell Road. At some time in the future, the road would need to be extended an additional 5,200 feet to Gougar Road. The estimated cost for improvement between Illinois Route 53 and Farrell Road is $19.7 Million.

This location shares all the negative aspects of trying to develop in urbanized residential corridors, like Division Street. However, they are doubled here due to urbanization on both sides of the crossing location. Also, this corridor does not provide a direct connection to Weber Road. Improvements to serve route continuity with a high level bridge could only proceed after addressing extensive impacts to presently developed areas. All of the above, however, are outside the study area, west of Illinois Route 53 and east of Illinois Route 171. Between the two routes, this location has complications of equal magnitude. Access for a large industrial area would inhibit through traffic. This area could be spanned by the new bridge at additional cost, if a suitable alternative access to the industrial area could be identified. Further, there are existing residential roadways atop the east bluff. The complexity providing a link between Illinois Route 53 and Illinois Route 171, the lack of vertical continuity with Illinois Route 171 and the location of the presently isolated residential area combine to indicate low feasibility at this location.

Alternative Evaluation

In order to evaluate the alternatives, a simple ranking system may be used. There are four elements which have been described for each of the alternatives:

- Construction Cost
- Impact upon adjacent land uses
- Ability to lessen traffic demand
- Potential for connecting to FAP 431

For the purpose of this evaluation, an unweighted ranking has been developed. That is, all elements are assumed to have equal importance. The ranking process with respect to land use, demand, and connection potential is somewhat subjective, but it is the most that can be accomplished within the scope of this study.

	EVALUATION ELEMENT					
Alternate	Const. Cost ($ Million)	Land Use Impact	Resolve Demand	Connect. Potential	Total Score	Over All Rank
135th St.	2 ($25.8)	7	3	4	16	4
Taylor/143rd	1 ($27.6)	4	2	5	12	6
151st St.	3 ($20.5)	6	1	2	12	7
Rte. 7	7 ($4.2)	1	4	6	18	2
Division	5 ($12.7)	2	6	3	16	3
Bruce	6 ($11.9)	5	7	7	25	1
Theodore	4 ($19.7)	3	5	1	13	5

This ranking evaluation places the Caton Farm/Bruce Road option first. A more in-depth multiple objective analysis could change the order of the alternate ranking. However, it is unlikely that any of the four lowest ranking options would emerge as most desirable. Also, it can be noted that the Bruce Road option does not have a ranking of 1 or 2 for any of the evaluation elements, unlike each of the other options.

V. RECOMMENDATIONS

Demand now exists for increased vehicular capacity across the river and canal. The concentration of traffic demand created by the single existing high level bridge in downtown Lockport has resulted in congestion on both Illinois Route 7 and Illinois Route 171. However, an additional bridge south of Illinois Route 7 such as Division or Caton Farm/Bruce would draw even more traffic through Lockport, if Illinois Route 171 is the only north-south connector. An essential consideration in recommending a new bridge location is the potential to relieve congestion.

Therefore, it is recommended that the bridge location be linked to two factors. First, good route continuity and traffic capacity to the east, away from Illinois Route 171 and, to a lesser extent, west of Illinois Route 53. Second, development of a good north-south connector, east of Lockport, such as Gougar Road. These two factors must be accommodated to relieve existing congestion and its future projected aggravation.

If these two factors are satisfied, then the traffic needs within Lockport Township will be satisfied by implementation of one of three actions:

1. Improve Bruce Road from Illinois 171 to the north-south connector, improve Caton Farm Road between Weber Road and Illinois Route 53, and build a new high level bridge at the Caton Farm Road/Bruce corridor.

2. Improve Illinois Route 7 through Lockport (from the bridge to Farrell Road, or to the north-south connector), widen the existing bridge to four lanes, and improve Illinois Route 171 through Lockport.

3. Improve Illinois Route 171 through Lockport, improve Division Street through Lockport (at least to Farrell Road or the north-south connector), and build a new high level bridge at Division Street.

The latter two options have limited probability of implementation and would be more expensive due to roadway construction in this more densely developed area. These two also have more complex impacts on the Historic District and the restrictions of the Central Business District's buildings and parking.

Based upon the planned improvement of Gougar Road, construction of FAP 431, and evaluation of impacts on adjacent properties, the Caton Farm Road/Bruce Road location is recommended. The cost of developing a new river crossing in this corridor is about $12 million.

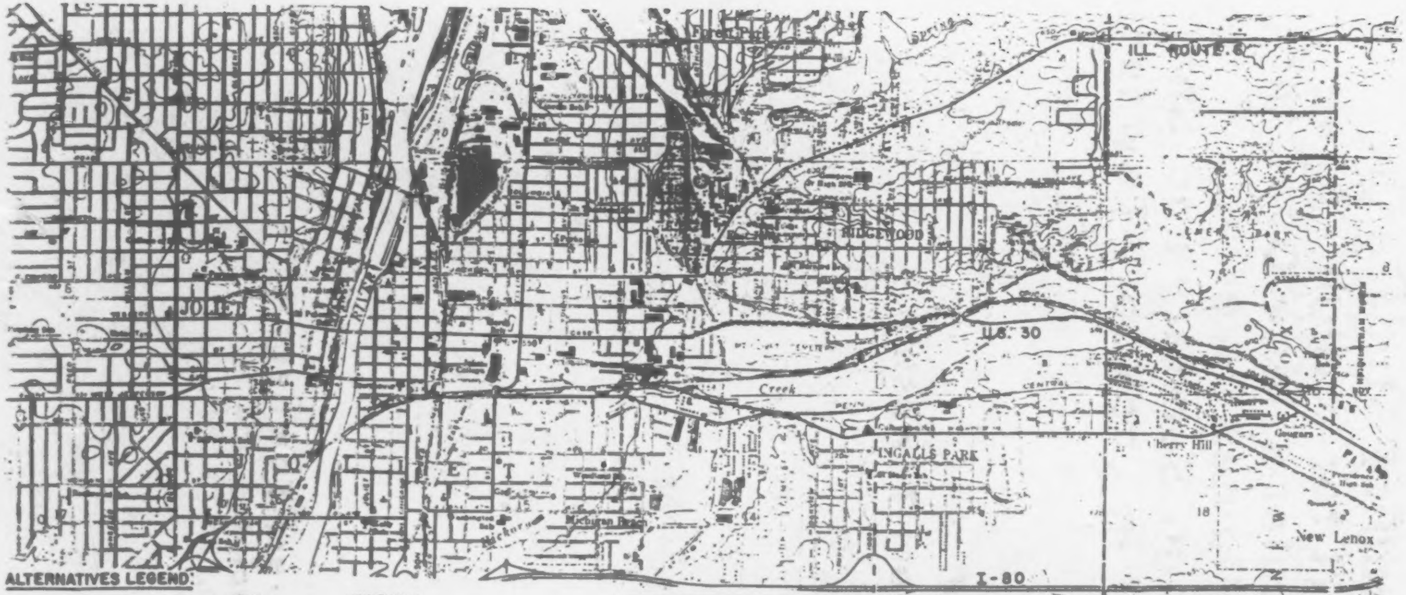
However, if there is no provision of a good north-south connector east of Lockport, the Caton Farm/Bruce location will not reduce traffic congestion in Lockport. It would not, in that case, resolve future transportation deficiencies within the Township.
If the stated needs of the Lockport/Crest Hill corridor cannot be met, then the existing congestion at the Illinois Route 7 bridge in Lockport and its projected future worsening, may be somewhat eased by a new high level bridge at 135th Street.

Feasibility Study and Report for a High Level Vehicular Bridge Over the Des Plaines River and Chicago Sanitary and Ship Canal in Lockport Township

Prepared for
Lockport Township

February, 1988

Consoer, Townsend
& Associates, Inc.
Chicago, Illinois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ALTERNATIVES LEGEND:

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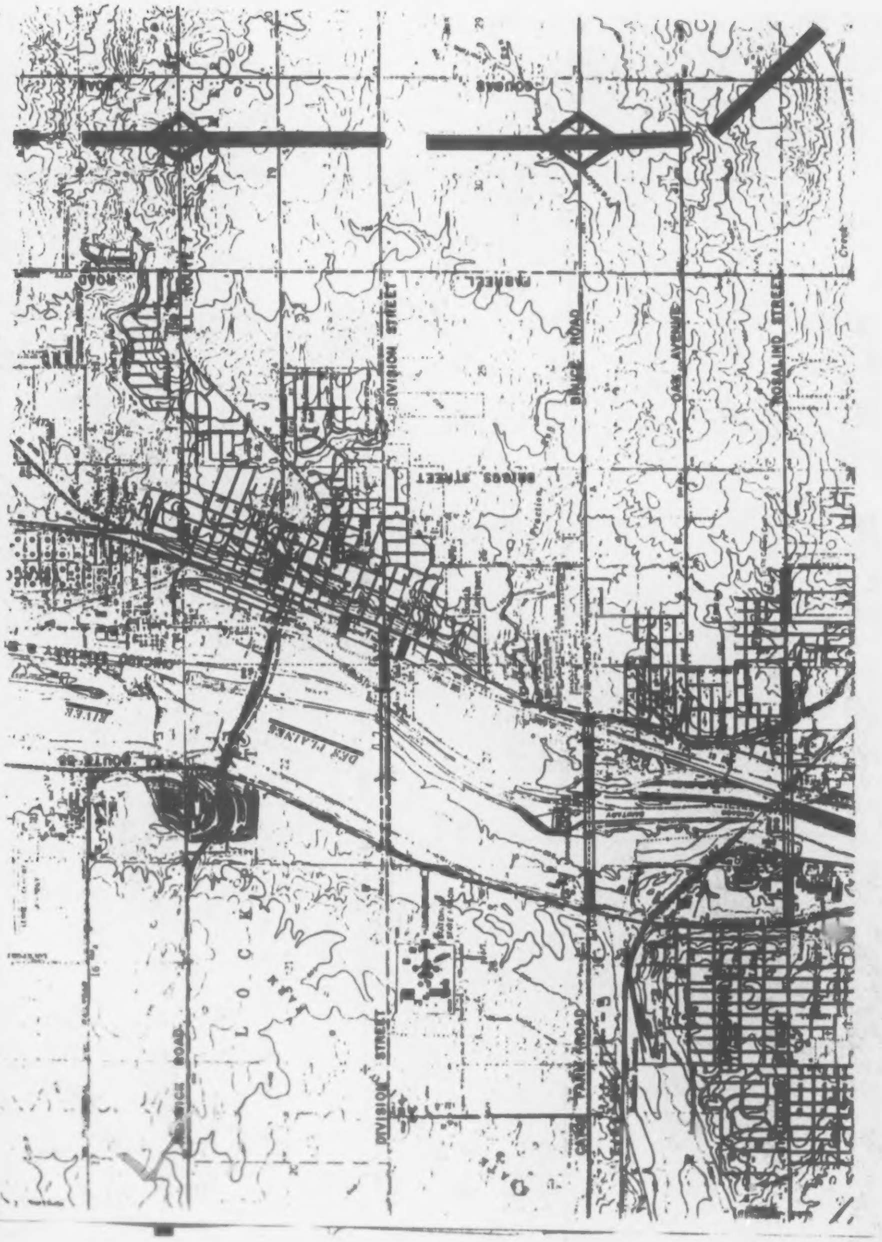
FEASIBILITY STUDY AND REPORT FOR A HIGH LEVEL VEHICULAR
BRIDGE OVER THE DES PLAINES RIVER AND CHICAGO
SANITARY AND SHIP CANAL IN LOCKPORT TOWNSHIP

LOCKPORT TOWNSHIP

CONSOER, TOWNSEND & ASSOCIATES, INC.
CHICAGO, ILLINOIS

EXHIBIT 1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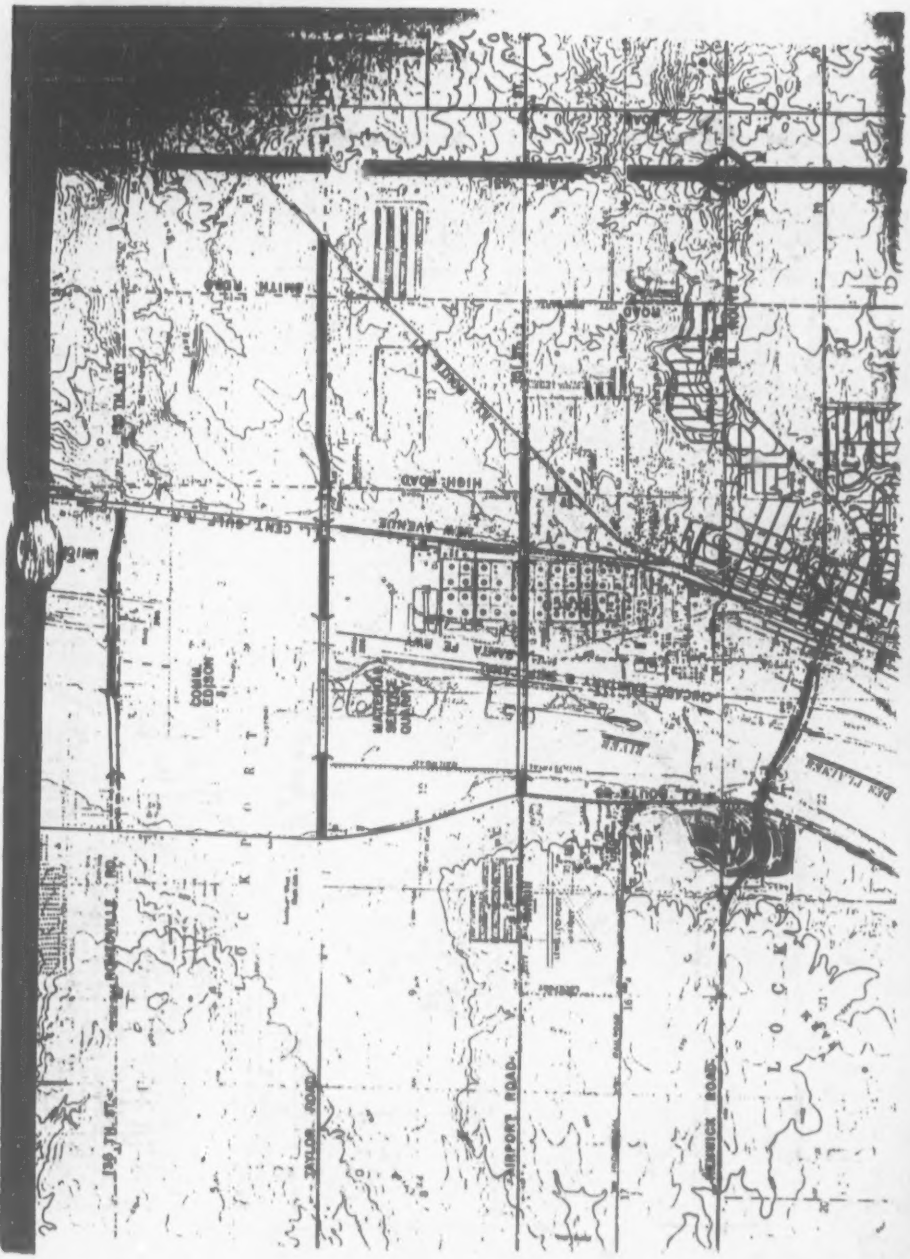
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AIRPORT ROAD
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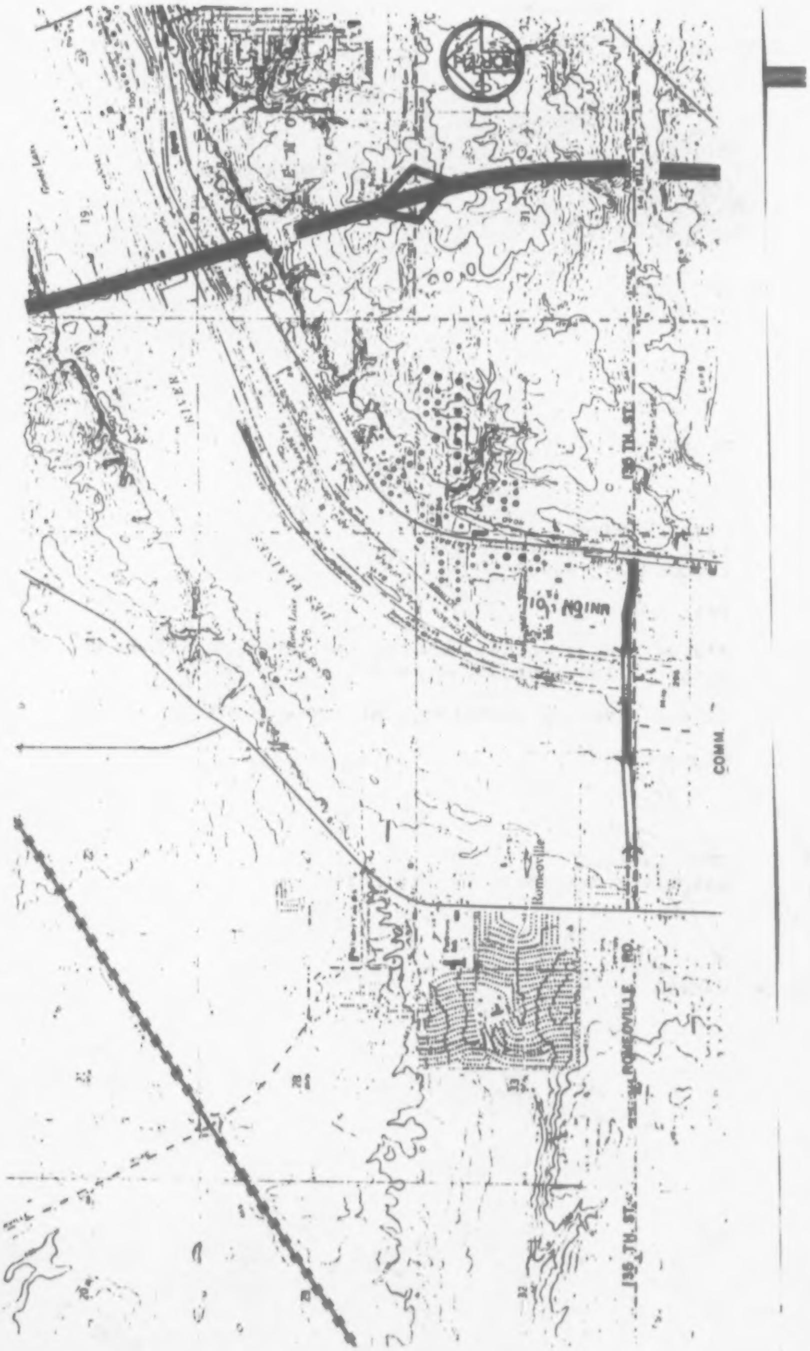
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SUBMISSIONS FOR THE RECORD FROM
HON. GEORGE E. SANGMEISTER, A
REPRESENTATIVE IN CONGRESS FROM
ILLINOIS

002
H900 P02

OFFICE OF THE MAYOR
CITY OF AURORA

DAVID L. PIERCE
MAYOR

October 4, 1990

Jesse Vasquez
64 A East Downer Place
Aurora, IL 60505

Dear Jesse

Please find attached written testimony regarding the City of Aurora's infrastructure needs.

If you have any questions, please contact me.

Sincerely,

John Savage
Executive Assistant to the Mayor

JS/cdm

10/04/90

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

TESTIMONY - CITY OF AURORA INFRASTRUCTURE NEEDS

Like almost every other municipality in the country, the City of Aurora's infrastructure lacks sufficient funding to properly maintain the roads, stormsewers, waterlines and other public facilities that are needed to properly serve the citizens of the community. It is an awesome responsibility to maintain the city's infrastructure needs with the shrinking revenue supplies, the citizens property tax revolt, and infrastructure mandates from state and federal agencies with no revenues to fund said mandates. The city of Aurora's ability to efficiently and effectively serve the public is under much strain in 1990.

The City of Aurora has a population of 93 thousand and is 34 miles southwest of Chicago in the Fox River Valley. Located in both Kane and DuPage counties Aurora is the second largest city in the Chicago metropolitan area. It is expected to grow to over 150 thousand by the year 2,010. This is the fastest growing market area in the country outside the sun belt. Downtown Aurora is bisected by Illinois Route 31 and 25 which follow the Fox River on either side. The I-88 East West Tollway designated as the Illinois Research and Development Corridor has five Aurora Interchanges and traverses the northerly portion of the city. Aurora is served by both the Burlington Northern Railroad Commuter line to Chicago and the Regional Transportation Authority Pace Bus System. It also ownes and operates its own Municipal Airport.

Aurora is a community with much history dating back to 1837 when German immigrants founded the community along the banks of the Fox River. The city has seen much change especially during the past five years as the economic climate improved with increased industrial,comercial, and residential development. However, this growth has come at a cost as service levels and infrastructure are being strained. The City of Aurora in 1990 will spend over $20 million dollars on infrastructure improvements. Much of it is bonded with revenue coming from local sources such as property tax, sales tax, water rates, and a real estate transfer tax. The infrastructure expenses are many and diverse, from a new fire station to a federally mandated water system. From storm and sanitary sewer separation to roadway construction. The costs are great yet the revenues are limited. Recognition is needed from a national level that Aurora and other cities are in desperate need to improve their infrastructure, yet do not have enough have enough financial support to do an adequate job.

The Federal Environmental Protection Agency (EPA) has mandated that the city of Aurora lower radium levels in its drinking water. If we do not bring our water system into compliance the

EPA will restrict any additional hookups to our water system, hence stopping all potential economic growth. The city, in response, is constructing a $38 million dollar water plant that will blend well water and Fox River water to acceptable EPA standards. This mandate was placed on the city with no federal assistance to fund said project. The city has had to increase water rates and local sales tax to find the funds to meet the debt service requirement of a $35 million dollar bond issue. I would ask that before any other federal or state agency mandates a specific project, they also consider how that municipality is to fund it. Too often a city is made responsible to solve a governmental agency's decision but that municipality is not given the tools to adequately solve it.

As like in many older cities Aurora's stormsewer lines and sanitary lines were combined. This has now led to severe flooding problems in some of our older neighborhoods. Whenever a hard rain occurs the citizen complaints range from flooded streets to raw sewage backing up into their basement. Over the past four years we have spent in excess of $10 million dollars to separate these sewer lines. Unfortunately because Aurora is an older community the combined sewer problem is prevalent and will cost over $100 million to solve. The city must prudently manage its infrastructure expenditures, however, it will be impossible to address the combined sewer problem in a reasonable time frame given current available funding sources.

The Fox River bisects the city, and it is a recreational amenity that helps make Aurora stand out from other western suburbs. However, when you have a river you also have bridges. Aurora's bridges were built in the 1920's and 30's and all are now in current need of repair, in fact the New York street bridge which is the major east-west thoroughfare throughout the city is in need of complete replacement at a cost in excess of $3.5 million dollars. And the other downtown bridges are in need of varied levels of maintenance and repair that is in excess of $1 million dollars. Where are these funds to come from?

Aurora's airport has over 450 flights per day of takeoffs and landings. The airport is deemed a major reliever for Chicago's O'Hare airport by the FAA. In order to meet the growing air traffic needs, the airport is proceeding with a $27 million expansion program. This includes new runways and taxiway systems. Aurora's commitment is to five percent of the construction cost or $1.3 million dollars. With all other infrastructure needs placed on the city it will be difficult to allocate needed funds for the airport expansion.

New public buildings in another need for the City of Aurora. With the dramatic population growth the community is experiencing, there is a need to construct two new fire stations at a cost of over $1 million dollars each, not including equipment if we are to maintain our current class two fire rating.

In addition, the City of Aurora needs to construct a new Animal Shelter as the current facility operates out of an abandoned farmhouse. It is estimated that this will cost an excess of $1 million dollars.

And finally a new City Hall must also be considered within the next five years. The current facility is full to capacity, in fact we have had to move several departments out of the current facility into satellite offices due to the lack of space. Construction of said building to meet the needs of a city our size would be far in excess of $15 million.

As you have heard, the City of Aurora's infrastructure needs are many. They span the full gamut of the necessary public services and the city cannot do it alone. We need greater state and federal assistance if we are to maintain and provide adequate public services. Older cities across the nation are in a similar predicament, aging infrastructure is in need of repair yet funds available are not there to meet those demands. We need your help, without it infrastructure will deteriorate and municipalities will not be able to provide to the citizens the quality service that they so deserve.

Joliet/Will County Center for Economic Development
Two Rialto Square, 116 N. Chicago Street, Joliet, IL 60431 • (815) 723-1800 • FAX (815) 723-6972

October 25, 1990

The Honorable George Sangmeister
United States Congressman
101 North Joliet Street
Joliet, Illinois 60431

Dear Congressman Sangmeister:

I appreciate the opportunity to submit the following written testimony to the House Committee on Public Works and Transportation meeting to be held in Matteson, Illinois on October 29, 1990.

The CED has the responsibility of assisting existing businesses and encouraging additional businesses to locate within Will County. We wish to express our support for an expeditious solution to the recent closing of the 135th Street bridge in Romeoville. The closing of this bridge has created several critical concerns for the Will County community. Those concerns are as follows:

- The public safety of residents and businesses within the Romeoville fire protection area is greatly compromised since the fire station is on one side of the river and is now unable to serve the residents and businesses of that community.

- The alternate routes for the emergency vehicles are also hampered due to the extreme amount of traffic congestion in both Lemont and Lockport.

  In addition, the large Unoven refinery facility, because of the nature of their business, requires immediate response to emergency situations. Under present circumstances, it is left in a vulnerable position.

Since the Metropolitan Sanitary District has maintained this bridge for the past 90 years, the Village of Romeoville was unaware that they held ownership of the structure. They are now faced with securing funds for a multi-million dollar project.

Will County. Chicago's Neighbor. Breaking New Ground.

Page 2
The Honorable George Sangmeister
United States Congressman
October 25, 1990

We urge your committee to secure funds from the federal government for the financing of reconstruction of this emergency public infrastructure project.

With kind regards, I remain

Sincerely,

Ruth Fitzgerald
Ruth Calvert Fitzgerald
President & CEO

dlz

cc: Village of Romeoville
Transportation Committee - Joliet/Will County Center for Economic Development

South Suburban
Mayors and Managers
Association

Thomas J. Murawski
President

Beth Royle
Executive Director

September 27, 1990

The Honorable George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20515-1304

Dear Representative Sangmeister:

The South Suburban Mayors and Managers Association (SSMMA) is a multi-municipal organization representing 39 municipalities in Southern Cook and Eastern Will Counties. As such, the Metropolitan Planning Organization for Northeastern Illinois has designated our Association the Regional Council for this area, responsible for the review, evaluation and recommendations regarding transportation projects of all modes in the Southern Suburbs.

I was pleased to receive your letter last week advising of the upcoming hearing of the U.S. House Committee on Public Works and Transportation regarding the rebuilding of infrastructure in our nation. The Transportation Committee of SSMMA is particularly interested in the new surface transportation legislation and has been active in following its progress through our association with the Chicago Area Transportation Study (CATS). As chairman of the SSMMA Transportation Committee, I wish to convey to you some of the issues which concern our Association regarding the upcoming legislation.

Since the mid-1950's, the major focus of surface transportation in the United States has been the interstate highway system. With that system very near completion, it is time to redirect our focus toward a transportation problem of a somewhat different nature: mobility in our urban areas. If left unaddressed, the problem of urban congestion may reach proportions which could bring our major metropolitan areas to a crawl, thus threatening our national economic vitality. The new Surface Transportation Legislation should be directed toward the solution of this problem. An increased proportion of Federal funding should be provided to our nation's urban areas for the purpose of relieving congestion.

In regard to the Federal-Aid Urban Highway Program, our Association is very supportive of the continuation of this concept in the new legislation. This program has been extremely successful in the South Suburbs as it has been in the entire Chicago region since its inception. We strongly encourage the continuation of this Program, or one very similar to it, in which local elected officials have the ability to select and program highway projects on a designated system of roadways which includes those under local jurisdiction. Through this mechanism, priority funding may be identified at the local level in the context of regional planning. Local government is assured a role in maintaining and developing the urban transportation infrastructure. As is currently the case, the Program should continue to function as a pass through process in which a portion of Federal dollars go directly to the local level. A maximum Federal share of the funding split should be specified, but with an overmatch provision as in current legislation.

On behalf of the Transportation Committee and the entire membership of South Suburban Mayors and Managers Association, I wish to emphasize the importance of the above items being addressed in the upcoming Surface Transportation Legislation. We at the local level are depending on the sound judgment of the Surface Transportation Subcommittee of the Public Works and Transportation Committee to create a new transportation program which will enable our nation to retain its economic prominence through an efficient and well maintained transportation network.

Sincerely,

Louis Sherman

Mayor Louis Sherman
Chairman, SSMMA Transportation Committee

Village of Channahon

CHANNAHON, ILLINOIS 60410

Village President
Michael F. Rittof

Trustees
Sandra Fodero
Amos Hayes
Tony Santarelli
Brad Stroud
Lottie Torkelson
Gary Walker

Village Clerk
Kay Muench

Village Administrator
Sarah A. Moore

September 12, 1990

Representative George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20008

Re: Public Hearing
October 6, 1990

Dear Representative Sangmeister:

Due to a previous commitment, I will be unable to attend the October 6, 1990 Public Hearing on the infrastructure of the facilities of the communities which is a must for continued growth, therefore I am submitting written testimony to enter in the record of the hearing.

Our Community, as well as many others are on a restricted status because of radium in our public water system. Our revenues do not allow us the luxury of correcting this problem. We are a growing Community and the safety and welfare of our residents are of great concern to me. Our Village is approximately 4700 population and housing units totals 1325. We have at present 165 homes on the water system, and the rest of the homes are on private wells. All the homes have their own septic system. Many of our residents are senior citizens on fixed incomes. With escalating property taxes to support the educational system and local taxing bodies, as an elected official, I cannot support special assessment districts because of the senior constituents.

When requirements are imposed by Federal and State Authorities, a need for grants to comply is needed by most municipalities.

I strongly urge the passage of legislation on the availability of funding to rectify the radium problems and to help provide to all of our residents public water and sewer.

Thank you for giving me the opportunity to express my concerns.

Sincerely,

Michael F. Rittof, President
Village of Channahon

SEP 2 0 1990

VILLAGE OF GLENWOOD

13 South Rebecca Street
Glenwood, Illinois 60425

1871

FRED W. DELANEY
Mayor
(708) 758-5155

JANE LAUGHTON
Clerk
(708) 758-5150

September 21, 1990

Representative George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20008

Dear Representative Sangmeister:

In response to your recent correspondence on the local meeting (October 6, 1990) of the House Committee on Public Works and Transportation, I am enclosing a sheet detailing some points that CATS feels should be made regarding the imminent surface transportation program since I serve as the south suburban representative to that organization. I agree with their evaluation.

I believe you are aware of my position on the third regional airport i.e. that the south suburban area is the logical location of a facility that for all practical purposes is universally recognized as necessary not only as an essential factor in a national and international air grid but also as an essential economic benefit to this area.

Other areas mentioned in your letter - transit systems, water supply, sewage treatment solid waste disposal - are certainly items of concern. I would suggest that solutions for these problems not come from the backs of local governments as dictated by federal mandates with no financial support.

Sincerely yours,

Fred W Delaney

Fred W. Delaney
Mayor

jf

Encl

SEP 26 [illegible]

Trustees:
Bill Asselborn Jr.
Tom Gardiner
Marvin T. Keeling

Trustees:
Jeanne Maggio
Ole Passaglia
Robert Hoefler

Telephone (708) 758-5150
FAX No. (708) 758-4696

Mayor Delaney

CHICAGO AREA TRANSPORTATION STUDY 300 West Adams Street Chicago Illinois 60606

COUNCIL of MAYORS

IMPORTANT POINTS REGARDING THE NEW SURFACE TRANSPORTATION PROGRAM

- retain FAU-type program that has local officials selecting and programming federally funded projects
- focus federal funding on urban areas: for the past 35 years, the national focus has been on the interstate, it should now be on urban areas to retain mobility; urban mobility is a national concern because our national economic vitality is dependent on it
- provide urban funding by formula directly to urban areas
- provide for a single maximum federal share for urban areas and permit overmatch
- increase federal funding directed to urban areas to at least 30% of total federal transportation apportionment or about $4.5 billion (this level would not require a federal MFT increase)
- increase federal MFT for transportation purposes, not debt reduction
- do not permit a transition year to fund out the obligation and balances, because it leaves the surburbs without an FAU program: the surburbs will not have meaningful unobligated balances after FY 91

1519P

EXECUTIVE COMMITTEE: DENNIS VALT CHAIRMAN, Mayor, Village of New Lenox JACK B. WILLIAMS VICE-CHAIRMAN, President, Village of Franklin Park VIVIAN M. LUND VICE-CHAIRMAN, Mayor, City of Warrenville VERNA L. CLAYTON IMMEDIATE PAST CHAIRMAN, President, Village of Buffalo Grove

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VILLAGE OF HOMEWOOD

2020 CHESTNUT ROAD, HOMEWOOD, ILLINOIS 60430 • AREA 312 798-3000

October 2, 1990

OCT 11 1990

Representative George E Sangmeister
Member of Congress
1607 Longworth House Office Building
Washington, D C 20008

Dear Representative Sangmeister:

Thank you for the opportunity to enter remarks into the written record on the House Committee on Public Works and Transportation's upcoming public hearing regarding infrastructure needs.

Homewood and other south suburban Chicagoland communities have made wise use of available Federal Aid Urban (FAU) funds over the last several years for street improvements. Without these funds, many transportation improvements in our region wouldn't have been constructed. The south suburban region has been one of the few to fully benefit from FAU funds. The availability of this vital source of funding must be continued if our region is to prosper.

However, these funds combined with our share of state motor fuel tax revenues don't keep pace with repairing deteriorating streets and widening other streets where traffic volume has outgrown the designed capacity. For example, in Homewood the village will be spending $570,000 of its general fund revenues on street improvements over the next five years in addition to $2.9 million from its motor fuel tax allotment. FAU funds are thus vital to any major street or transportation improvement project in our region.

Federal funding will also be vital to the development of infrastructure for a third airport in south suburban Chicagoland. Adequate roads and highways, water and sewerage service, and public transportation are all essential if we're to avoid the congestion and other problems the northwest suburbs have experienced around O'Hare Airport. A properly planned third regional airport will serve as a stimulus to the economic development of the south suburbs. Undoubtedly, federal assistance in constructing the infrastructure to serve this airport will be needed.

We appreciate the opportunity to comment on these important issues and hope the House Committee on Public Works and Transportation will continue its financial support of local and regional infrastructure improvements. Please call myself or Homewood Village Manager Larry Lowery if we may provide any additional information on our efforts to keep up with Homewood's infrastructure needs.

Sincerely,

Manny Hoffman, President
Village of Homewood

cc: Larry Lowery
Village Manager

Beth Ruyle, Executive Director
South Suburban Mayors and Managers Association

Submitted For Record

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 3
To JODY	From JOHN DOWNS
Co. Cong. Sangmeister	Co. Village of Mokena
Dept.	Phone # 479 3900 (708)
Fax # 815-740-2036	Fax # 708-479-4844

CLERK
Lois R. Mayer

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Frank A. Fleischer
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Mark R. Stiaske

John Downs
ADMINISTRATOR

Barbara Shryock
FINANCE DIRECTOR

Kenneth A. Grey
ATTORNEY

Ronald J. Grotovsky, Village President

October 1, 1990

United States House Committee
of Public Works and Transportation
c/o The Honorable Representative
George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20008

Dear Congressman Sangmeister and
Honorable Members of the House Committee:

On behalf of the Citizens of Mokena, I appreciate this opportunity to submit to the Committee our concerns regarding local infrastructure needs.

The Village of Mokena is currently assessing and formulating an overall infrastructure rehabilitation plan which addresses the prioritized needs of our aging community. These needs include: Reconstruction of our Local Road Grid, Drainage and Storm Management Improvements, Water Distribution System Improvements, and Rehabilitation of our Aging Sanitary Sewer Mains.

During the evaluation and development of a local plan to accommodate the above referenced problems, it has become apparent the Village of Mokena lacks sufficient fiscal resources to universally fund all existing infrastructure priorities. Therefore, the remainder of this correspondence will focus upon the established priorities affiliated with our Sanitary Sewer System.

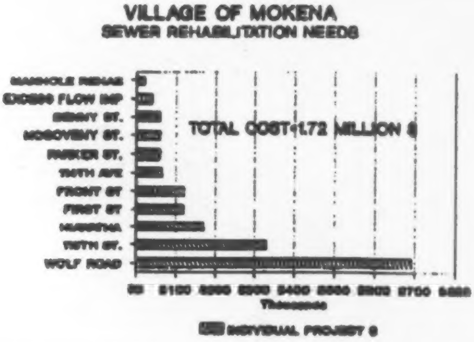
The Village of Mokena is currently undergoing significant geographical and population growth. The ability to service this expanding population base, is being met by a Sewerage Treatment Plant which was constructed in 1987. Although the plant currently

"Planned Progress Pleasant Living"

has available capacity to serve our immediate needs, the potential for insufficient future capacity being available is becoming more apparent.

The Village Board and Staff have evaluated this issue and established a solid course of action for increasing our available plant capacity. Our current sewerage collection system consists of many deteriorated sewerage lines. Several sections of our community are serviced by clay sewerage pipe which were installed in the 1940's and 50's. These pipes have deteriorated to the point of allowing excess infiltration and storm water to enter the collection system during rains. This dilemma causes our Treatment Plant to regularly process more waste water than necessary, consuming much needed plant capacity.

The Village performed a strategic Sewer Analysis Study in 1988 which earmarked the most significant geographical areas contributing to this inflow and infiltration problem. These areas have been prioritized based on the volume of infiltration and our ability to fund the corrective measures needed to improve the system. The Village Board and Citizens of Mokena need financial assistance to address many of these proposed projects. You will note the graph below, indicates priority projects by cost. This chart clearly indicates a minimal of $1.72 million dollars of sewer rehabilitation projects which should be pursued by the Village of Mokena.



COST BY INDIVIDUAL PROJECT

Currently, the Village is working with other State agencies to jointly evaluate and plan infrastructure improvements to our Village. As an example, the Illinois Department of Transportation has been providing information regarding a project scope which will eventually improve a major State artery through our Village. Although no funding exists in this scope for sanitary sewer replacement, it would be prudent to work toward rehabilitating these lines during roadway construction. Unless financial assistance from the Federal or State Government is available, the sanitary mains will most likely not be rehabilitated and continue to contribute to our problem of sewerage system infiltration and reduced plant capacity.

In Summary: The Village of Mokena respectfully requests the House Committee to closely evaluate the infrastructure needs of small local communities throughout the State of Illinois. Although these needs vary with age, demographics, and financial resources, many of today's existing problems cannot be mitigated without the help of both our Federal and State Governments. Please accept this correspondence on behalf myself, the Village Board of Trustees, and the Citizens of Mokena. Your thoughtful consideration and potential assistance in this matter would be of great appreciation by all who reside, work, and prosper in the Village of Mokena.

Sincerely,

Ronald J. Grotovsky,
Village President
Village of Mokena

RJG/JD:cb

PHONE: [illegible]
[illegible]
FAX: [illegible]

FOUNDED 1835
1300 SOUTH BROADWAY/MONTGOMERY ILLINOIS 60538

September 19, 1990

Representative George E. Sangmeister
1607 Longworth House Office Building
Washington D.C. 20515

Dear Representative Sangmeister:

Thank you very much for asking the Village of Montgomery for its input with regards to area infrastructure needs. As the Village is a part of the rapidly growing Fox River Valley, our need for an aggressive infrastructure maintenance/development program is greater than ever. It is my intention with this letter to highlight the importance of these needs to the Village of Montgomery.

The Village has always taken the stance that in order for there to be economic growth, that there must be a strong foundation for this economic growth to take place. Unfortunataly, the [illegible] that make up this foundation require more resources than the Village of Montgomery has to [illegible]. The Village [illegible] of having its transportation systems maintained and updated [illegible] the needs brought on by the Village's expected growth. It [illegible] unreasonable to expect that the population of the Village will increase from its present 4,000 to well over 20,000 by the year 2010. With such a large influx of people (and employment opportunities) there must be adequate transportation systems in place.

Specifically speaking, the transportation needs of the Village will soon dictate that the Route 30 bridge over the Fox River be expanded from two to four lanes. While this project is expected to cost $5,000,000, other road programs in excess of $6,000,000 also need to be addressed. These road projects will link Montgomery with other areas in the region thereby increasing the chances for economic growth region wide. The questions that I most hear from my constituents deal not with the negative aspects of economic growth, but with concerns of how the needs of growth will be addressed.

These needs are genuine and I believe that it is in the best interests of all concerned that they be addressed and acted upon now rather than later when it will be too late. Because of our

Representative Sangmeister
Page two

geographic position, our growth is inevitable and our infrastructure needs must be addressed today rather than tomorrow, when lit will be too late.

Sincerely,

Raymond C. Kozloski

Raymond C. Kozloski
Village President

Submitted for Record

Village of Sauk Village
701 Torrence Avenue, Sauk Village, Illinois 60411 708-758-3330 Fax 758-9044

October 3, 1990

The Honorable George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20515-1304

Dear Representative Sangmeister:

I applaud the U.S. House Committee on Public Works and Transportation for embanking on a program of rebuilding our country's infrastructure. We all are aware that local government even with State financial help cannot handle the massive rebuilding of roads, water supply systems, and waste water systems that periodically needs to be done.

I know only too well that in my own community of Sauk Village we are mandated to spend well over a million dollars to stop cross-flow between our storm water and sewer waste systems. Although we are going to get some state help it still required a 150% increase to our residents sewer charge on the water bills. We were required just a few years ago to add a iron-removal system to our two village well houses at a cost of 1.3 million requiring a increase from .50 per 1,000 gallons to $1.60 per 1,000 gallons of water used, a 220% increase.

I mention these two improvements because they are mandated, and rightfully so I must admit, by federal regulations. On top of these improvements our water and sewer lines themselves are constantly being repaired due to ravishes of 30 years plus in service. Village revenue's will be reduced soon due to the changed population numbers per the 1990 census and we are in desperate need of federal help to replace our aging systems. I will make a more general presentation in the areas of transportation as per my position on the South Suburban Mayors and Managers, Transportation Committee.

Sincerely,

Mark Collins

Mark Collins
Mayor

Village of Sauk Village
1701 Torrence Avenue, Sauk Village, Illinois 60411 708-758-3330 Fax 758-9044

October 3, 1990

The Honorable George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20515-1304

Dear Representative Sangmeister:

The South Suburban Mayors and Managers Association (SSMMA) is a multi-municipal organization representing 39 municipalities in Southern Cook and Eastern Will Counties. As such, the Metropolitan Planning Organization for Northeastern Illinois has designated our Association the Regional Council for this area, responsible for the review, evaluation and recommendations regarding transportation projects of all modes in the Southern Suburbs.

I was pleased to receive your letter last week advising of the upcoming hearing of the U.S. House Committee on Public Works and Transportation regarding the rebuilding of infrastructure in our nation. The Transportation Committee of SSMMA is particularly interested in the new surface transportation legislation and has been active in following its progress through our association with the Chicago Area Transportation Study (CATS). As a member of the SSMMA Transportation Committee, I wish to convey to you some of the issues which concern our Association regarding the upcoming legislation.

Since the mid-1950's, the major focus of surface transportation in the United States has been the interstate highway system. With that system very near completion, it is time to redirect our focus toward a transportation problem of a somewhat different nature: mobility in our urban areas. If left unaddressed, the problem of urban congestion may reach proportions which could bring our major metropolitan areas to a crawl, thus threatening our national economic vitality. The new Surface Transportation Legislation should be directed toward the solution of this problem. An increased proportion of Federal funding should be provided to our nation's urban areas for purpose of relieving congestion.

In regard to the Federal-Aid Urban Highway Program, our Association is very supportive of the continuation of this concept in the new legislation. This program has been extremely successful in the South Suburbs as it has been in the entire Chicago region since its inception. We strongly encourage the continuation of this Program, or one very similar to it, in which local elected officials have the ability to select and program highway projects on a designated system of roadways which includes those under local jurisdiction. Through this mechanism, priority funding may be identified at the local level in the context of regional planning. Local government is assured a role in maintaining and developing the urban transportation infrastructure. As is currently the case, the Program should continue to function as a pass through process in which a portion of Federal dollars go directly to the local level. A maximum Federal share of the funding split should be specified, but with an overmatch provision as in current legislation.

On behalf of the Transportation Committee and the entire membership of South Suburban Mayors and Managers Association, I wish to emphasize the importance of the above items being addressed in the upcoming Surface Transportation Legislation. We at the local level are depending on the sound judgment of the Surface Transportation Subcommittee of the Public Works and Transportation Committee to create a new transportation program which will enable our nation to retain its economic prominence through an efficient and well maintained transportation network.

Sincerely,

Mark Collins

Mayor Mark Collins
Member, SSMMA Transportation Committee

OCT 0 9 1990

Village of Woodridge

Village Hall • 1900 West 75th Street • Woodridge, Illinois 60517-2699 • (708) 852-7000
Public Services and Police Departments • One Plaza Drive • Woodridge, Illinois • 60517-4199
Village Greens Golf Club • 1575 West 75th Street • Woodridge, Illinois • 60517-2611

October 4, 1990

Honorable George E. Sangmeister
1607 Longworth House Office Building
Washington, D.C. 20515

SUBJECT: Testimony of Mayor William F. Murphy -
Infrastructure Development

Dear Representative Sangmeister:

Enclosed please find a copy of Testimony of Mayor William F. Murphy, Village of Woodridge, regarding infrastructure development throughout the country.

I am requesting the enclosed testimony to be inserted into the official record for the October 6, 1990 field hearing in Matteson, Illinois.

Sincerely,

William F. Murphy
Mayor

TESTIMONY OF MAYOR WILLIAM F. MURPHY

INFRASTRUCTURE DEVELOPMENT

On behalf of the Village of Woodridge, Illinois, I, Mayor William F. Murphy, am pleased to provide this testimony regarding the need to address infrastructure development throughout the country. Specifically, I would like to speak of the Woodridge experience in this matter and also to describe our needs for the next ten (10) years.

The Village of Woodridge has recently celebrated the 30th anniversary of its incorporation. As such many facilities have reached, or are about to reach, their useful life. These include public buildings, streets and bridges, wastewater collection systems and water supply facilities. In response, the Village has undertaken several capital improvement programs to rehabilitate systems and facilities. Over the past ten (10) years, Woodridge has spent over 9 million dollars on infrastructure improvements and expansion projects.

Funding for these projects has increasingly depended upon local sources. Federal programs such as Federal Revenue Sharing, Urban Development Action Grants and U.S. EPA Grants, which had provided substantial resources to local capital improvement projects, have been eliminated or severely reduced.

In addition, the 1986 Tax Reform Act limits local access to capital markets. Without an increased commitment for federal participation in the infrastructure needs of the country, local government will become less able to provide for the transportation and utility needs of all users.

The Village of Woodridge, like much of Northern Illinois, is presently experiencing dramatic growth. The need for new roadway construction and expansion of existing municipal streets represents a commitment of over 15 million dollars over the next ten (10) years.

Rehabilitation of utility systems for water and wastewater are estimated at 1.5 million over the same period. The Village of Woodridge also faces the urgent need for solutions to our nation's solid waste crisis.

TESTIMONY OF MAYOR WILLIAM F. MURPHY
INFRASTRUCTURE DEVELOPMENT

In order to better meet the needs of local government's infrastructure burden, I would encourage the Congress to support the following steps:

- Extension of U.S. Environmental Protection Agency grants for wastewater collection and treatment beyond 1994.
- A sustained federal commitment of 2 to 4 percent of the GNP to infrastructure improvements as recommended by the National Association of Counties.
- The commitment of Federal Highway Trust Funds for the upkeep of the nation's roads.
- Restoration of federal programs supporting the construction of new infrastructure as well as maintaining the old.

In closing, I would like to encourage a new partnership between federal and municipal governments to build and maintain the transportation and utility systems necessary to the economic vitality of the country. The Village of Woodridge sincerely appreciates this opportunity to provide comment to the Committee regarding this important issue.

Sincerely,

William F. Murphy
Mayor

SUBMISSION FOR THE RECORD BY
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MAYOR, CALUMET CITY, IL

CITY OF CALUMET CITY
RECOMMENDED
INFRASTRUCTURE IMPROVEMENTS
AT
VARIOUS LOCATIONS

GENERAL

The City of Calumet City is in an ever ending effort to upgrade and rehabilitate its sewer, water and roadway utilities. Calumet City was initially developed on a street by street expansion whereby as development occurred, sewer, water and roadway improvements were extended to accommodate new growth. As time went on, the system utilities aged and became deteriorated and in need of repair. Calumet City now faces a major crisis in the rehabilitation of its underground and roadway utilities. Calumet City has spent over ten million dollars in storm sewer improvements and approximately five million dollar in street improvements and re-paving within the last few years to keep abreast of utility deterioration. But the funds are not enough to take care of the 100+ miles of streets and sewer and water mains the city has to maintain.

The major improvements that require immediate attention are listed below:

IMPROVEMENT #1 - ROADWAY IMPROVEMENTS 156TH STREET AND 156TH PLACE FROM BURNHAM AVENUE TO STATE LINE ROAD

156th Street and 156th Place from Burnham Avenue to State Line Road are streets that are considered two of the oldest streets within the city. The streets were built in the early 1900's with materials and construction methods that were the state-of-the-art at the time of construction. Throughout the years, the streets have deteriorated to a point where repairs are becoming very difficult and not cost effective. Both streets are faced with collapsing sewers, water main breakage, and pavement failure on a regular basis. It is not uncommon to excavate a portion of the roadway to repair what appears to be small sewer break and find that 20, 30, 40 or 50 feet of sewer needs to be replaced because of its crumbling condition. The same situation holds true for the water main due to its age and brittleness.

Furthermore, the cast iron and galvanized mains which are no longer recommended for modern day designs that are in the ground break due to the stresses of age. The solution to the problem requires total reconstruction of the roadways. This means that the entire roadway surface, including the blacktop, concrete curb and gutters and sidewalks need to be removed along with the removal of the below ground water main and sewer. New ductile iron water mains are required and new concrete sewers are also needed. New catch basins, valve vaults, and manholes are also required because of their existing crumbling conditions. Once new water mains and sewers are replaced, the old ones are removed from the ground and the earth is readied for the new roadway. A new bituminous asphalt pavement is laid, along with new concrete curb and gutters and sidewalks. Once complete, the roadway is completely renovated and new and will devote decades of consistent service.

estimated project cost, including construction and engineering for these two roadway improvements is $2,277,166.00.

IMPROVEMENT #2 - STORM SEWER SEPARATION IN THE SECOND WARD BETWEEN TORRENCE AVENUE, PENN CENTRAL RAILROAD, SIBLEY BLVD. AND STATE STREET AND STORM SEWER SEPARATION IN THE SIXTH WARD BETWEEN WENTWORTH AVENUE, STANLEY BLVD., RIVER OAKS DRIVE, AND THE LITTLE CALUMET RIVER.

Flooding in Calumet City has been an continuing problem. The city has addressed flooding in various wards and has spent over $10,000,000 in the resolution of the flooding problem at various locations. The flooding still occurs thou at other locations. The two projects listed above have not been able to be solved due to the funding plight that Calumet City has. The residents of these wards have suffered phenomenal tragedies of personal property destruction because of the flooding and because of the lack of funding to solve the flooding.

Plans, specifications and bid documents for these two projects are complete and are awaiting funding.

Bids were taken over one year ago to determine the project costs however, because of the funding problems that the city faces no action was taken on the bids.

CITY OF CALUMET CITY
156 TH PLACE IMPROVEMENT
84-129

SPECIAL PROVISIONS

SCOPE - 156th - BURNHAM AVE. TO STATE LINE RD.

This project consists of the reconstruction of roadways including replacement of storm sewer, watermain, appurtenances, curb and gutter and bituminous pavement.

HYDRANTS

Hydrants shall be East Jordan Iron Works or approved equal.

BITUMINOUS DRIVEWAY REPLACEMENT

All bituminous driveways and parkways disturbed due to the construction shall be replaced with either the original thickness or a two-inch (2") bituminous concrete surface course, Class I (Modified) and a six-inch (6") aggregate base course, Type B, whichever is greater. This work shall be paid for at the unit price bid per SQUARE YARD of BITUMINOUS DRIVEWAY PAVEMENT.

P.C. CONCRETE DRIVEWAY PAVEMENT

This item includes the removal and replacement of all concrete drives or parkways, removed in the course of the construction. The thickness shall be the same as the drive removed with a minimum of seven inches (7"), whichever is greater. The drive shall be reinforced with woven wire fabric.

This work is to be done in conformance with the State specifications, and shall be paid for at the unit price bid per SQUARE YARD of P.C, CONCRETE DRIVEWAY PAVEMENT (7").

P.C. CONCRETE SIDEWALK (5")

This item includes the complete removal and replacement of concrete sidewalks, removed in the course of construction. Sidewalks shall be constructed in conformance with the State Specifications for P.C.C. sidewalk and shall be five inches (5") thick. Two-inch by six-inch (2"x6") forms are required for this construction. Handicapped ramps shall be in accordance with State specifications. This work shall be paid for at the unit price bid per SQUARE FOOT of P.C. CONCRETE SIDEWALK (5").

CONCRETE CURB AND GUTTER

This item includes the complete removal and replacement of concrete curb and gutter. The curb and gutter replacement shall be B6.12 (Modified) and shall be constructed in conformance with the State Specifications.

This work shall be paid for at the unit price bid per LINEAL FOOT of COMBINATION CONCRETE CURB AND GUTTER TYPE B-6.12.

BITUMINOUS PAVEMENT REPLACEMENT (STATE)

All work within State jurisdiction shall be backfilled with Aggregate Base Course Type B and the surface replaced in thickness and type in kind. This work shall be paid for at the unit price bid for LIN.FT. of BITUMINOUS PAVEMENT REPLACEMENT (STATE).

LANDSCAPING

Subsequent to the backfilling and general grading of the disturbed areas, and where directed by the Engineer, said areas shall be top-dressed, with 4" of pulvarized topsoil, fine graded, fertilized and sodded. Prior to the sodding, the contractor shall first spread and blend in fertilizer at the rate of 300 pounds per acre. The sodding operation shall conform basically to Section 644 and Article 717.02 of the State of Illinois, Department of Transportation Standard Specifications for Road and Bridge Construction adopted October 1, 1979, except that the prices shall include the fine grading and fertilizer with said work being paid for at the unit price bid per LINEAL FOOT of TOPSOIL AND SOD.

The contractor shall be responsible for watering the area sufficiently for conditions. The water can be obtained from a hydrant near the work undertaken, but prior City Water Department notification is definitely required. The cost of the water will be borne by the contractor.

SAW CUT JOINTS

The removal and/or replacement of any driveways, pavement, curb, sidewalk, etc. shall be accomplished by means of a saw cut joint, at the direction of the Engineer. This work shall not be paid for separately, but shall be included in the unit price bid for the various items.

WATER AND SEWER SERVICE REPLACEMENTS

This item shall include the installation of new watermain and sewer services form the utilities to a point four feet (4') beyond the proposed curb. The water service replacement shall be 3/4" copper including corporation stop, box, curb stop, and fittings as required within the installation limits.

This work shall be paid for at the contract unit price bid per EACH LONG OR SHORT WATER SERVICE (3/4" COPPER) which price shall include all labor, materials and equipment necessary for excavation, bedding, installing and backfilling with Stone CA-10 as herein specified.

The sewer services shall consist of six-inch (6") Vitrified Clay pipes C-700 equipped with a compression type joint of preformed plastic or rubber materials having resilient properties and conforming to all requirements of A.S.T.M. Specification C-425.

Construction methods shall be in conformance with Section 603 of the Standard Specifications. The sewer services shall extend from the main sewer to the existing house service a point four feet (4') beyond the proposed back of curb. Connection to the existing service shall be by mission coupling.

This work shall be paid for at the contract unit price bid per LINEAL FOOT for 6" VSP C-700 (HOUSE SERVICE), which price shall include all labor, materials, and equipment necessary for excavating, bedding, installing, jointing and backfilling with Stone CA-10 as herein specified.

REMOVAL OF EXISTING INLET, CATCH BASINS OR MANHOLES

This work shall consist of all work necessary to remove existing inlets, catch basins or manholes.

The inlet, catch basins or manholes shall be removed and the outlet connection shall be securely sealed with concrete; the resulting cavity shall be filled with sand and thoroughly tamped. In some instances, the resultant cavity will be partially or totally replaced by a new drainage structure. Any cavity remaining after the structure installation shall be filled with suitable trench backfill material.

This work shall be paid for at the contract unit price bid EACH for REMOVAL OF EXISTING INLETS, REMOVAL OF EXISTING CATCH BASINS, OR REMOVAL OF EXISTING MANHOLES, which price shall include all labor, materials, and equipment necessary for excavating and backfilling as herein specified.

TRAFFIC CONTROL

The contractor shall provide the necessary traffic control and protection as adopted by the "Standard Specifications for Road and Bridge Construction".

PUBLIC UTILITIES

The Engineer has attempted to indicate the presence of various public utility lines along the construction route. These locations are from information supplied by the utility companies, and the Engineer, in no way, warrants their accuracy or completeness. It remains the contractor's responsibility to contact the utility companies in order to obtain the definite locations.

STATE SPECIFICATIONS

The "Standard Specifications for Road and Bridge Construction", prepared by the Department of Transportation of the State of Illinois, and adopted on October 1, 1979 are a part of the specifications for this project and are referred to as "State Specifications". However, in case of conflict, the "Special Provisions" shall take precedence and shall govern.

CITY OF CALUMET CITY
2ND WARD STORM SEWER RELIEF PROJECT

88-144

SPECIAL PROVISIONS
CITY OF CALUMET CITY
88-144

PLUG EXISTING OUTLETS:

This work shall consist of the installation of a plug of a size the same as the outlet pipe in the catch basin/inlet indicated on the plan.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

PLUG EXISTING PIPE;

This work shall consist of the installation of a plug of a size the same as the pipe indicated on the plans.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

PLUG EXISTING CATCH BASIN LEADS;

This work shall consist of the installation of a plug of a size the same as the inlet pipe from the existing catch basins in the existing combined sewer manhole.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

BULKHEADS

Bulkheads shall be constructed at the location as shown on the plans. The contractor shall submit to the Engineer the material and method of construction for the approval of the Engineer.

This work shall not be paid for separately, but will be considered incidental to the sewer installation.

PAVEMENT REMOVAL BY SAW CUT:

All existing pavement removal shall be by the saw cut method.

The cost of saw cutting shall not be compensated for separately, but shall be incidental to the contract.

PRECAST RCCP BENDS, TEES, TRANSITIONS, CROSSES:

Precast RCCP bends, tees, transitions, and crosses shall be made of the same material as the pipe and have the same joint specifications. Materials joining these pipe sections shall be free from cracks and shall adhere to the joint surface. All precast pipe fittings shall have inverts as shown on the plans.

STORM SEWER MEASUREMENT:

The lineal foot measurement of the storm sewer for payment purposes shall be through the manholes, bends and transitions. The manholes, bends and transitions shall also be paid for separately at the contract unit price bid for each item.

PIPE BEDDING AND BACKFILL:

Bedding shall be required for all sewer construction, except ductile iron watermain pipe, and shall be a minimum thickness of four inches (4") below the bottom of the pipe. Backfill of the pipe shall be in accordance with Section 1-2.20 of Division II Technical Specifications contained in the bid documents.

PIPE JOINTS:

All pipe placed shall have ASTM C-443 joints.

CATCH BASINS TO BE REMOVED

Existing catch basins which are determined by the Engineer to be in poor condition will be removed and disposed of by the Contractor in accordance with IDOT Specifications Section 501.

This work shall be paid for at the price bid per EACH CATCH BASIN TO BE REMOVED.

CLEAN EXISTING CATCH BASIN

This work shall consist of removal of mud and other deposits in the existing catch basins and inlets as indicated on the plan and/or as directed by the Engineer. The removed material shall be disposed of off-site as directed by the Superintendent of Public Works, City of Calumet City. Due care must be taken to prevent the material removed from the catch basins, inlets, from entering the existing sewers. High pressure jetting shall not be used for this work.

This work shall be paid for at the unit price bid for EACH of CLEAN EXISTING CATCH BASINS. This work will be considered incidental at any structure that has been adjusted, reconstructed or modified.

EXPLORATION TRENCH

The Engineer shall direct the contractor to excavate and locate existing underground utilities to determine their elevation and avoid conflict with the storm sewer. Exposing of existing sanitary sewer services during the normal course of storm sewer construction is not included in this item, but is considered incidental to this contract. All work shall be in accordance with IDOT Specifications Section 220 EXPLORATION TRENCH and shall be paid for at the unit price bid per EACH for EXPLORATION TRENCH.

ADJUST SANITARY SEWER SERVICE

This work shall consist of the removal of existing sanitary sewer service pipe, as directed by the Engineer, wherever there is a grade conflict with the proposed sewer, and the installation of a new sanitary sewer service of the same size as the existing service. It shall also include the installing of ductile iron sewer pipe across the storm sewer trench to prevent the collapse of the existing VSP services into the storm sewer trench. All existing pavement, curb and gutter, sidewalk, etc. disturbed by this work shall be replaced in accordance with the provisions for the same elsewhere in these Special Provisions.

This work shall be paid for at the unit price bid for LIN.FT. of ADJUST SANITARY SEWER SERVICE.

ADJUST WATER SERVICE LINES

This work shall consist of the removal of the existing water services as directed by the Engineer, wherever there is a grade conflict with the proposed sewer. The contractor shall replace the water service with a new service with the necessary fittings of the same size as the existing water service. All existing pavement, curb and gutter, sidewalk, etc. disturbed by this work shall be replaced in accordance with the provisions for the same elsewhere in these Special Provisions.

This work shall be paid for at the unit price bid for LIN.FT. of ADJUST WATER SERVICE LINE.

SEWER CROSSING ENCASEMENT

Where indicated on the plans or as directed by the Engineer, the contractor shall encase in concrete all crossings of the proposed storm sewer with any existing sewer or watermain having less than one foot (1') vertical separation unless directed by the Engineer to replace the sewer or watermain with ductile iron pipe. The cost for this work shall not be paid for separately, but included in the unit price bid per LINEAL FOOT of STORM SEWER.

ADJUST WATERMAIN (6") (12")

This work shall consist of the removal of the existing 6",12" watermain where there is a grade conflict with the new storm sewer or as directed by the Engineer and the installation of new ductile watermain. All bends and necessary fittings needed to accomplish this relocation shall be considered incidental.

The cost for this work shall be paid for at the unit price bid per LINEAL FOOT of ADJUST WATERMAIN (6") (12").

COMBINATION CONCRETE CURB AND GUTTER REMOVAL AND REPLACEMENT

This work shall consist of the removal and replacement of concrete curb and combination concrete curb and gutter in accordance with Sections 616 and 617 of the Standard Specifications, at locations as designated by the Engineer.

The curb shall be replaced in kind.

This work shall be paid for at the contract unit price per LINEAL FOOT of COMBINATION CONCRETE CURB AND GUTTER REMOVAL/REPLACEMENT, which price shall include saw cutting, removal and disposal of surplus material.

Where curb and gutter is removed at a driveway location, access to the property shall be maintained with temporary aggregate.

The restoration of the area behind the curb or curb and gutter shall be four inches (4") of topsoil and sod. At locations where the parkway is not grass, and at drives, the surface shall be removed to a sawed joint (straight) and replaced in kind. The maximum width of restoration behind the curb and gutter removal and replacement shall be two feet (2').

The cost of temporary aggregate, topsoil and sod and any replacement work required either in front of or behind the replaced curb or curb and gutter shall be considered incidental to the cost of COMBINATION CONCRETE CURB AND GUTTER REMOVAL AND REPLACEMENT.

PAVEMENT REMOVAL AND BITUMINOUS REPLACEMENT TYPE III 7.5 INCHES:

All existing pavement that is disturbed due to the installation of the new storm sewer shall be removed by sawcut joint to the limits shown as per these details shown on the plans. The pavement that is to be replaced shall consist of six inches (6") of Bituminous Aggregate Mixture (BAM) and 1-1/2" Bituminous Concrete Surface Course, Cl. I (Mod.). The Bituminous Concrete Surface Course, Cl. I (Modified) shall not be installed for a minimum of one month to allow for trench settlement. All work shall be in accordance with IDOT Specifications Section 620.

This work shall'be paid for at the unit price bid per SQUARE YARD of PAVEMENT REMOVAL AND BITUMINOUS REPLACEMENT TYPE III (7.5 Inch).

BARRICADES, WARNING SIGNS AND LIGHTS; TRAFFIC CONTROL

The contractor shall furnish, erect and maintain such barricades, signs and lights as are necessary to safeguard traffic and protect the work in accordance with Article 107.14 of the Standard Specifications, as specified herein, and as are required by the Engineer. Such barricades, signs and lights shall be provided wherever required to prevent any accident or harm to life, limb, property, or to the work in consequence of the excavation, use or occupancy of streets, alleys, highways or right-of-way.

Operation of flasher lights shall include the furnishing of all electrical energy required. The barricades, signs and lights shall be kept in operation and maintained by the Contractor as long as they are needed to safeguard traffic and protect the work as determined by the Engineer.

Compliance with the above requirements shall be considered incidental to the contract, and no additional compensation will be allowed.

STATE SPECIFICATIONS

All work shall be done in accordance with the IDOT Standard Specifications for Road and Bridge Construction, adopted July 1, 1988.

STORM SEWER TYPE

All storm sewers shall be reinforced concrete of the type and class shown on the plans.

EROSION CONTROL NETTING

A lightweight plastic netting shall be anchored over the straw mulch to stabilize it and prevent erosion.

The erosion control netting type shall be approved by the Engineer and shall be American Excelsior #072-0110 or equal.

This work shall be paid for at the unit price bid per SQUARE YARD of EROSION CONTROL NETTING.

AGGREGATE BASE COURSE, TYPE B

Subsequent to the installation of the new storm sewer in all alleys the trench shall be backfilled with excavated material to an elevation eight (8") inches below the existing grade. The contractor shall then place in two (2) lifts and compact aggregate base course, Type B flush with the existing alley elevation.

The cost for this work shall be paid for at the unit price bid per TON of AGGREGATE BASE COURSE, TYPE B.

PROVIDE EXISTING CATCH BASIN WITH CLOSED LID

Where indicated on the plans, the contractor shall remove the existing open lids on the combined sewer catch basin and replace it with a new closed lid. The old lid shall be delivered to the City of Calumet City Department of Public Works.

The cost for this work shall be paid for at the unit price bid per EACH PROVIDE EXISTING CATCH BASIN WITH CLOSED LID.

REGRADE EXISTING DITCH

The Contractor shall regrade the existing ditch on the south side of State St. from the existing 24" box culvert located 100' + West of Exchange Avenue to the proposed reinforced concrete flared end section at Exchange Ave. A straight uniform grade shall be used to match the invert of the existing box culvert and the invert of the proposed reinforced concrete flared end section.

The cost for this work shall be paid for at the unit price bid per LINEAL FOOT of

REGRADE EXISTING DITCH.

MANHOLE, TYPE (K), (L), (M), AND (N)

Where indicated on the plans, the contractor shall construct manholes, Type (K), (L), (M) and (N). These manholes shall be constructed of material and size as shown in the details provided in the plans.

The cost for this work shall be paid for at the unit price bid per EACH MANHOLE, TYPE (K), (L), (M) and (N).

LIFT STATION

The supplier shall furnish and install the complete factory built lift station as manufactured by the Metropolitan Pump Company Lemont, Illinois or approved equal. System shall include two submersible pumps with hydraulic sealing diaphragms, guiderails, pump mounting plates with discharge elbow and bottom rail supports, access frame with cover for each pump and top guiderail supports, wiring bracket as required, all installed in fabricated steel basin. A Nema 3-R weatherproof control box shall be supplied for mounting remote as required. Structure and dimensions to be as shown on drawing.

OPERATING CONDITIONS:

Each pump shall have a capacity of 3100 GPM at a total head of 30 feet when operating at 870 RPM. Pump motor shall be 30 HP, 870 RPM, 3 Phase, 480 Volts, 60 Hz.

SUMP BASIN:

The fabricated steel basin shall have an inside diameter of 12 feet 0 inches and an inside height of 33 feet and 0 inches. Basin walls, top and bottom shall be of 3/8" structural steel plate. Bottom of basin shall be reinforced with I beams. Beams shall extend 1 foot beyond basin for anchoring to concrete basin. Lifting lugs shall be provided on the outside for handling. The access frame and hinged covers shall be fastened to basin top. Basin shall be sandblasted inside and outside to remove scale, weld, slag, rust, etc., before painting. Basin shall be coated inside and outside with two coats of tar base epoxy paint. Pump mounting plates shall be bolted to basin bottom plate. Discharge piping from pump bases shall be mounted in basin and extended through basin wall for attaching to piping in valve vault. Valve vault shall be of the same diameter as the sump basin, and shall nclude an access hatch, detachable ladder, with check valves and plug valves of the size shown.

PIPING:

Piping in the basin shall be 12 inch steel pipe and shall terminate with a flange outside the basin wall for connection to valves in external valve vault. Inlet or inlets into basin shall be grout sleeves for 15-inch inlet pipe. The pump guiderails shall be 2" S.S. pipe. Intermediate guiderail supports shall be used if basin is more than 15 deep. Discharge shall be plain end pipe. A 12-inch riser pipe with threaded pipe cap shall be connected to a 3-way plug valve in the valve vault, for emergency pumping capabilities.

IMPRESSED CURRENT ANODE SYSTEM:

The structure guard shall be built with solid state circuitry to automatically adjust the applied anode voltage, providing Cathodic Protection regardless of soil resistivity. The system shall utilize two cast iron high silicone anodes.

A separate silicone rectifier module shall be provided for each anode and each module shall feed a constant current of 100 milliamps to the anode it serves.

An indicator light shall allow for check or anode operation. The system shall operate on 120 volt, AC, 60 Hertz power with less than 1 amp draw. The system shall be protected by a type 3AG fuse, which shall have a light that glows if the fuse is blown.

SUBMERSIBLE PUMP - MOTOR CONSTRUCTION:

Each pump shall be of the sealed submersible Type Model No. S12L. Pump shall be capable of handling raw, unscreen sewage with two port non-clog type impellers. Pump casing shall be fitted with bronze wear ring. Pump shall have two mechanical seals in tandomwith oil chamber between the seals. Rotating seal faces shall be carbon and stationary seal faces to be ceramic.Opposed seals will not be accepted. Pump motor shall be of the oil filled sealed submersible type with standard insulation for operation in high-dielectric oil to give better heat dissipation and longer bearing life. Motor stator shall be held in place with removable end ring so that it can be removed for repair without heating outer shell or using a press. Motor housing shall be filled with high-dielectric oil and no pressure balancing devices shall be used. Pump motor shaft shall be of 303 stainless steel. Pump shaft shall have a stainless steel shaft sleeve for longer wear. Pump shall be a standard production pump with attached railguides and discharge sealing flange. Rail guides shall be fastened to pump so that all lifting loads will come on the guide supports and not on the pump or motor housing. A lifting chain and hook shall be supplied for each pump. Pump shall have a direct center of gravity lift out action. Motor will be provided with heat sensing units which shall trip the starter if the motor overheats. Seal chamber shall be fitted with an electrode probe to detect water in the seal chamber.

HYDRAULIC SEALING FLANGE:

The discharge of each pump shall be fitted with a diaphragm-type hydraulically operated sealing flanged. When pump is in operation, pressure shall force diaphragm against discharge elbow flange providing a leak-proof seal. When pump is idle, pressure shall be removed from diaphragm so that pump can be removed from sump with no mechanical contact of sealing flanges. Complete weight of pump to rest on bottom support plate, no weight to be supported on guiderails or discharge elbow. Sealing diaphragm material to be Buna N rubber. Metal to metal sealing flange type connection which is highly susceptible to "corrosion welding" is not acceptable.

PUMP MOUNTING BASES:

A separate mounting plate shall be furnished for each pump. These plates shall include adjustable guide rail supports and discharge elbow with flange to align with pump hydraulic sealing flange. Discharge elbow shall be 125 lb. Standard flange 12" pipe size. Plates and fittings shall be coated with tar base epoxy paint. Sealing face of discharge elbow shall be coated with sprayed on metal (pure zinc) for smoothness and corrosion resistance.

ACCESS FRAME AND COVER:

A duplex door access frame assembly shall be supplied. Access frame and covers shall be fabricated of aluminum and bolted to basin. Frame shall support guiderails and electrical wiring bracket. A separate hinged cover shall be provided for each pump. Cover shall be provided with lifting handle and safety latch to hold cover in the open position. Locking hasps shall be furnished for each cover. Hatch for valve vault shall be a single door to match wet well.

ELECTRICAL CONTROL PANEL-MOUNTED IN FREE STANDING MODULE:

Control panel shall have a Nema 3-R weatherproof enclosure and shall be dead front with separate removable inside panel to protect electrical equipment. A lock hasp shall be provided on outside door. A circuit breaker shall be provided for each pump and a magnetic starter with 3 leg overload protection shall be supplied for each pump. An alternating relay shall be provided to alternate pumps on each successive cycle of operation. Starters shall have auxiliary contacts to operate both pumps on override condition. An interlock relay shall be provided to automatically re-connect the control circuit in case of circuit breaker trip on one pump. H-O-A switches and run lights shall be supplied for each pump. Terminal strip shall be provided for connecting pump and control wires. Pump control box shall be mounted on panel stand at the station or remote as required. Elapsed time meters and seal failure indicating lights shall be furnished for each pump and installed in panel. Panel shall include a generator receptacle and automatic 200 amp transfer switch.

WIRING BRACKET:

Wiring bracket shall provide cord grip holders for the pump cords and the control cords. All cords shall extend from bracket through conduit to control box. No splices shall be made in the wiring. Continuous cords must be used from control panel to pumps and controls. Wiring bracket shall be fastened to access frame. Kellum connectors shall be furnished for each pump cord.

SUMP LEVEL CONTROLS:

Sealed float type mercury switches shall be supplied to control sump level and alarm signal. The mercury tube switches shall be sealed in a solid polyurethane float for corrosion and shock resistance. The support wire shall have heavy neoprene jacket and a weight shall be attached to cord above the float to hold switch in place in sump. Weight shall be above the float to prevent sharp bends in the cord when the float operates under water. The float switches shall hang in the sump supported only by the cord that is held to the wiring channel. Four float switches shall be used to control level. One for pump turn-on, one for pump turn-off, one for two pumps turn-on and one for three pumps on. A fifth switch shall be provided for high level alarm. Float switches shall be Model No. 3900.

ALARM:

A high water alarm light shall be furnished. Alarm light shall be mounted on side of free standing colntrol module. The red light shall flash in alarm mode and shall have reset button. Alarm system shall include contacts for hook-up with existing computer system.A telemetry transmitter shall be provided to interface with said computer.

All equipment required to interface with the computer system to monitor the on/off, hi/low levels and pump fail shall be furnished under this contract.The supplier shall also include in his bid item #2 the cost of reprogramming the conputer to display a seperate screen for the activites of the lift station as well as 24-hour,7 day and 30 day graphs of flow.

OPERATION OF SYSTEM:

On sump level rise lower mercury switch shall first be energized, then upper level switch shall next energize and start lead pump. With lead pump operating sump level shall lower to low switch turn-off setting and pump shall stop. Alternating relay shall index on stopping of pump so that lag pump will start on next operation. If sump level continues to rise when lead pump is operating, override switch shall energize and start lag pump. Both lead and lag pump shall operate together until low level switch turns off both pumps. If one pump should fail for any reason, the second pump shall operate on the override control. All level switches shall be adjustable, for level setting, from the surface.

The contractor shall be responcable for the furnishing of a transformer pad and conduit and wiring to the lift station and stand by generator. The power feed to the pad shall be paid by the city. All necessary wiring, conduit, meter socket equipment and appurtenances required for the complete connection and operation of the lift station and the stand by generator listed herein or otherwise required shall be provided by the contractor.

STANDBY GENERATOR

The supplier shall furnish a stand-by generator set, Model SS-100-18 as manufactured by U.S. Motors Corporation or equal. The unit shall consist of the components listed below, new and unused, all assembled and tested as a complete unit by the set manufacturer. The unit shall be rated 90 continuous,100 standby and output shall be 230 volts connected for 3 phase, 4 wire.

FUEL

The fuel shall be diesel.

ENGINE

The engine shall be 4 cylinder, 4 cycle liquid cooled with V-belt driven water pump through a radiator with pusher fan system, dry manifolds and shall develop 166 HP at 1800 RPM. Engine shall be equipped with remote-controlled positive engaging electric starter system which does not become disengaged until the engine is self-sustaining; positive pressure oiling system which oil filter, injector for specified fuel, battery recharging with automatic static voltage regulator and minimum 5 amp output; cooling thermostat; a mechanical speed and frequency governor with maximum droop not to exceed 5% at full load. In addition, engine will be equipped with high temperature and low oil pressure and overspeed safety shutdown and latch off three indicators and manual reset. An air cleaner shall be furnished.
Cooling system shall use radiator and fan.

EXHAUST

The exhaust system shall include a flexible exhaust with MPT threaded ends and a residential type muffler sized so that back pressure does not exceed 20 inches of water when installed.

GENERATOR

There shall be provided a four pole, revolving field, open drip-proof synchronous alternating current generator rated 125KVA with brushless exciter and static automatic silicon controlled rectifier voltage regulator, with minimum adjustment rate of 5%. Unit shall be of single bearing construction, directly connected to the engine by a semi-flexible steel drive disc. The stator and the armature shall be laminated silicon steel, and all windings shall be twice dipped and baked in insulating varnish. The units shall have a centrifugal blower to force air through the generator which is to operate at 70 degrees centigrade continuous rated temperature rise. Insulation shall be Class F. Temperature rise shall not exceed NEMA MGI-22.40 at the standby rating.

Generator unit shall be of the three phase 12 lead broad range reconnectible and shall have a transient overload capacity of 200% of rated KVA at low power factor for motor starting. Voltage change shall not exceed 12% on application or removal of full load with two second recovery. Maximum voltage shall not exceed plus or minus 1%.

UNIT MOUNTING AND ACCESSORIES

The entire unit shall be assembled and mounted on a steel frame base of rigid construction. The base shall include a unit mounted battery rack, complete with one battery for 12 volts operation . A unit mounted vibration isolated control box including equipment for voltage regulation and engine control; field circuit protection; overcranking protection; terminal board for remote control connections; oil pressure gauge; coolant temperature gauge; static regulated battery charging with battery charging ammeter; safety shutdown for low oil pressure and high coolant temperature and overspeed with three failure indicators; an output terminal box for power connections; voltmeter; ammeter and meter transfer switch frequency meter, hourmeter and a local/off remote switch shall be furnished. In addition, the unit manufactured shall provide properly sized vibration isolators for placement between the base and floor.

In addition to the above operation specifications, the system shall be equipped with the following accessories:

A. Automatic cycle cranking to allow 5 - ten to fifteen second cranking cycles with ten to fifteen second rest periods between cranking attempts. Cranking shall lock out and light an indicator after five attempts. It shall reset automatically if engine starts or manually if engine does not start after five attempts. No thermal devices will be permitted.

B. Exerciser timer with load pick-up minimum operation of 15 minutes once per week.

C. Regulated constant voltage static temperature compensated battery charger rated five amps minimum. O.C. charging ammeter; regular shall taper to trickle for fully charged battery, and shall be automatically disconnected from the battery during cranking.

D. Load circuit breaker

TESTING

Prior to shipment, the generator set manufacturer shall set up the test on the generator and shall certify that the unit has performed satisfactorily.

INSTALLED ACCESSORIES SHALL BE:

Mounted battery, rack and cables
Lock-out relay
Day tank with transfer pump and switch
100-gallon fuel tank Built in base
Steel weatherproof housing with locks

AUTOMATIC TRANSFER CONTROL

The supplier shall supply, test and certify a 200 amp automatic transfer control system including a transfer switch rated 600V AC for inrush current 20 times continuous rating and current interruption capacity six times rated, to handle motor tungsten or mixed loads. Switches shall be mechanically held in the normal position. There shall be three normal line voltage sensing relays and sequencing controls such that the loss of power in any normal line below 75% rated voltage initiates transfer to second power supply. Upon restoration of power, the transfer panel, after a time delay adjustable to 10 minutes, shall transfer load back to normal line. The contractor shall be U.L. listed for this service. In addition to the above operational specifications, the system shall be equipped with the following accessories:

(1) An on-off switch with indicator to prevent transfer during service periods.

(2) A test switch to permit simulation of normal line failure including pick-up of the emergency line.

(3) Adjustable close differential relays.

TESTING

Prior to shipment, the manufacturer shall set up the test on the automatic transfer panel and shall certify that the unit has performed satisfactorily.

The cost for furnishing and installing the stand by generator and lift staion complete including electrical work shall be paid for per L SUM for LIFT STATION - COMPLETE.

CITY OF CALUMET CITY

STORM RELIEF SEWER
AREA SOUTH OF 159th STREET
AND
WEST OF WENTWORTH AVENUE
6th WARD SEWER SEPARATION
88-145

SPECIAL PROVISIONS
CITY OF CALUMET CITY
88-145

PLUG EXISTING OUTLETS:

This work shall consist of the installation of a plug of a size the same as the outlet pipe in the catch basin/inlet indicated on the plan.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

PLUG EXISTING PIPE;

This work shall consist of the installation of a plug of a size the same as the pipe indicated on the plans.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

PLUG EXISTING CATCH BASIN LEADS;

This work shall consist of the installation of a plug of a size the same as the inlet pipe from the existing catch basins in the existing combined sewer manhole.

This work will not be paid for separately, but will be considered incidental to the sewer installation.

BULKHEADS

Bulkheads shall be constructed at the location as shown on the plans. The contractor shall submit to the Engineer the material and method of construction for the approval of the Engineer.

This work shall not be paid for separately, but will be considered incidental to the sewer installation.

PAVEMENT REMOVAL BY SAW CUT:

All existing pavement removal shall be by the saw cut method.

The cost of saw cutting shall not be compensated for separately, but shall be incidental to the contract.

PRECAST RCCP BENDS, TEES, TRANSITIONS, CROSSES:

Precast RCCP bends, tees, transitions, and crosses shall be made of the same material as the pipe and have the same joint specifications. Materials joining these pipe sections shall be free from cracks and shall adhere to the joint surface. All precast pipe fittings shall have inverts as shown on the plans.

STORM SEWER MEASUREMENT:

The lineal foot measurement of the storm sewe for payment purposes shall be through the manholes, bends and transitions. The manholes, bends and transitions shall also be paid for separately at the contract unit p ice bid for each item.

PIPE BEDDING AND BACKFILL:

Bedding shall be required for all sewer construction, except ductile iron watermain pipe, and shall be a minimum thickness of four inches (4") below the bottom of the pipe. Backfill of the pipe shall be in accordance with Section 1-2.20 of Division II Technical Specifications contained in the bid documents.

PIPE JOINTS:

All pipe placed shall have ASTM C-443 joints.

CATCH BASINS TO BE REMOVED

Existing catch basins which are determined by the Engineer to be in poor condition will be removed and disposed of by the Contractor in accordance with IDOT Specifications Section 501.

This work shall be paid for at the price bid per EACH CATCH BASIN TO BE REMOVED.

CLEAN EXISTING CATCH BASIN

This work shall consist of removal of mud and other deposits in the existing catch basins and inlets as indicated on the plan and/or as directed by the Engineer. The removed material shall be disposed of off-site as directed by the Superintendent of Public Works, City of Calumet City. Due care must be taken to prevent the material removed from the catch basins, inlets, from entering the existing sewers. High pressure jetting shall not be used for this work.

This work shall be paid for at the unit price bid for EACH of CLEAN EXISTING CATCH BASINS. This work will be considered incidental at any structure that has been adjusted, reconstructed or modified.

EXPLORATION TRENCH

The Engineer shall direct the contractor to excavate and locate existing underground utilities to determine their elevation and avoid conflict with the storm sewer. Exposing of existing sanitary sewer services during the normal course of storm sewer construction is not included in this item, but is considered incidental to this contract. All work shall be in accordance with IDOT Specifications Section 220 EXPLORATION TRENCH and shall be paid for at the unit price bid per EACH for EXPLORATION TRENCH.

ADJUST SANITARY SEWER SERVICE

This work shall consist of the removal of existing sanitary sewer service pipe, as directed by the Engineer, wherever there is a grade conflict with the proposed sewer, and the installation of a new sanitary sewer service of the same size as the existing service. It shall also include the installing of ductile iron sewer pipe across the storm sewer trench to prevent the collapse of the existing VSP services into the storm sewer trench. All existing pavement, curb and gutter, sidewalk, etc. disturbed by this work shall be replaced in accordance with the provisions for the same elsewhere in these Special Provisions.

This work shall be paid for at the unit price bid for LIN.FT. of ADJUST SANITARY SEWER SERVICE.

ADJUST WATER SERVICE LINES

This work shall consist of the removal of the existing water services as directed by the Engineer, wherever there is a grade conflict with the proposed sewer. The contractor shall replace the water service with a new service with the necessary fittings of the same size as the existing water service. All existing pavement, curb and gutter, sidewalk, etc. disturbed by this work shall be replaced in accordance with the provisions for the same elsewhere in these Special Provisions.

This work shall be paid for at the unit price bid for LIN.FT. of ADJUST WATER SERVICE LINE.

SEWER CROSSING ENCASEMENT

Where indicated on the plans or as directed by the Engineer, the contractor shall encase in concrete all crossings of the proposed storm sewer with any existing sewer or watermain having less than one foot (1') vertical separation unless directed by the Engineer to replace the sewer or watermain with ductile iron pipe. The cost for this work shall not be paid for separately, but included in the unit price bid per LINEAL FOOT of STORM SEWER.

ADJUST WATERMAIN (4") (6") (8") (10")

This work shall consist of the removal of the existing 4",6",8",10" watermain where there is a grade conflict with the new storm sewer or as directed by the Engineer and the installation of new ductile watermain. All bends and necessary fittings needed to accomplish this relocation shall be considered incidental.

The cost for this work shall be paid for at the unit price bid per LINEAL FOOT of ADJUST WATERMAIN (4") (6") (8") (10").

COMBINATION CONCRETE CURB AND GUTTER REMOVAL AND REPLACEMENT

This work shall consist of the removal and replacement of concrete curb and combination concrete curb and gutter in accordance with Sections 616 and 617 of the Standard Specifications, at locations as designated by the Engineer.

The curb shall be replaced in kind.

This work shall be paid for at the contract unit price per LINEAL FOOT of COMBINATION CONCRETE CURB AND GUTTER REMOVAL/REPLACEMENT, which price shall include saw cutting, removal and disposal of surplus material.

Where curb and gutter is removed at a driveway location, access to the property shall be maintained with temporary aggregate.

The restoration of the area behind the curb or curb and gutter shall be four inches (4") of topsoil and sod. At locations where the parkway is not grass, and at drives, the surface shall be removed to a sawed joint (straight) and replaced in kind. The maximum width of restoration behind the curb and gutter removal and replacement shall be two feet (2').

The cost of temporary aggregate, topsoil and sod and any replacement work required either in front of or behind the replaced curb or curb and gutter shall be considered incidental to the cost of COMBINATION CONCRETE CURB AND GUTTER REMOVAL AND REPLACEMENT.

PAVEMENT REMOVAL AND BITUMINOUS REPLACEMENT TYPE III 6 INCH :

All existing pavement that is disturbed due to the installation of the new storm sewer shall be removed by sawcut joint to the limits shown as per these details shown on the plans. The pavement that is to be replaced shall consist of six inches (6") of Bituminous Aggregate Mixture (BAM) constructed flush with the existing pavement. The BAM shall not be resurfaced over for a minimum of one month after its installation to allow for trench settlement. All work shall be in accordance with IDOT Specifications Section 620.

This work shall be paid for at the unit price bid per SQUARE YARD of PAVEMENT REMOVAL AND BITUMINOUS REPLACEMENT TYPE III 6 Inch.

6" (8") (10") (12") (15") (18") (21") (24") (30") ETC. DUCTILE IRON SEWER PIPE CL.52

The Contractor shall remove the existing sanitary sewer and replace it with Ductile Iron Sewer Pipe Cl.52 at location directed by the Engineer. When the existing sanitary sewer is within 1 vertical foot of the storm sewer, the transition from the existing sanitary sewer to the ductile iron sewer pipe shall be made with a band seal coupling. Sanitary sewer installation shall be in accordance with Division II TECHNICAL SPECIFICATIONS. Bypass pumping shall be included.

This work shall be paid for at the unit price per LINEAL FOOT of 6" (8") (10") (12") (15") (18") (21") (24") (30")ETC. DUCTILE IRON SEWER PIPE CL. 52.

BITUMINOUS DRIVEWAY PAVEMENT

Where existing bituminous driveways are to be removed, they shall be removed by means of a straight sawed cut joint and restored with six inches (6") of Aggregate Base

Course, Type B, and two inches (2") of Bituminous Concrete Surface Course, Class I (Modified). The cost for sawing, Aggregate Base Course, Type B and the Bituminous Concrete Surface Course, Class I, shall not be paid for separately, but included in the unit price bid per SQUARE YARD of BITUMINOUS DRIVEWAY PAVEMENT.

CLEAN AND TELEVISE SEWERS

Prior to beginning construction the contractor shall clean and televise the existing sewers shown on the plan for the purpose of determining if the sewer is a combination or separate storm sewer. Special attention shall be paid to locating all underground connections. A color camera, two copies of a VHS video tape and a typed written report are required.

The work shall be paid for at the unit price bid per LINEAL FOOT of CLEAN AND TELEVISE SEWERS.

FENCE REMOVAL/REPLACEMENT

The contractor shall remove the existing fence and replace it with an equivalent new fence.

This work shall be paid for at the unit price bid per LINEAL FOOT of FENCE REMOVAL/REPLACEMENT.

BARRICADES, WARNING SIGNS AND LIGHTS; TRAFFIC CONTROL

The contractor shall furnish, erect and maintain such barricades, signs and lights as are necessary to safeguard traffic and protect the work in accordance with Article 107.14 of the Standard Specifications, as specified herein, and as are required by the Engineer. Such barricades, signs and lights shall be provided wherever required to prevent any accident or harm to life, limb, property, or to the work in conseqzuence of the excavation, use or occupancy of streets, alleys, highways or right-of-way.

Operation of flasher lights shall include the furnishing of all electrical energy required. The barricades, signs and lights shall be kept in operation and maintained by the Cotnractor as long as they are needed to safeguard traffic and protect the work as determined by the Engineer.

Compliance with the above requirements shall be considered incidental to the contract, and no additional compensation will be allowed.

STATE SPECIFICATIONS

All work shall be done in accordance with the IDOT Standard Specifications for Road and Bridge Construction, adopted July 1, 1988.

48" SLUICE GATE CHAMBER

This item shall consist of the construction complete and in place of a sluice gate chamber with a sluice gate of the size specified in accordance with the detail shown on the plans. Concrete shall be Class "X" 3500 psi at 14 days. The sluice gate and crank operated floor stand shall be Rodney Hunt or approved equal. Concrete test cylinders shalll be made and tested by an approved materials testing lab oratory.

This work shall be paid for at the unit price bid per EACH - 48" SLUICE GATE CHAMBER.

CONNECTION TO EXISTING INTAKE CHAMBER

This item shall consist of all work required to connect the proposed 90" storm sewer to the existing pump station. The north/south walls of the existing chamber shall be removed as required. The storm sewer /pump station junction shall be grouted and calked to provide a water tight seal. Removal of the existing 66" storm sewer shall be included.

This work shall be paid for at the unit price bid per EACH -CONNECTION TO EXISTING INTAKE CHAMBER.

BUTT JOINTS

Butt joints shall be required where the proposed resurfacing meets existing pavement.Butt joints shall be considered incidental.

STORM SEWER TYPE

All storm sewers shall be reinforced concrete of the type shown on the plans and the Class as shown in the following table:

KIND OF MATERIAL PERMITTED AND STRENGTH REQUIRED FOR THE
RESPECTIVE DIAMETERS OF PIPE AND FILL HEIGHTS OVER THE TOP OF THE PIPE FOR STORM SEWERS

Nominal Dia.	Type 1 & 1B						Type 2 & 2B							
	3' and less with 1' min. cover				Steel Thickness		Greater than 3' Not Exceeding 10'						Steel Thickness	
Inches	RCCP Class	ACSP Class	CSP Class	ESCP	2 2/3" x 1/2"	3" x 1"	RCCP Class	ACSP Class	CSP Class	ESCP	ABS	PVC (CPVC)	2 2/3" x 1/2"	3" x 1"
4		V	1	X				III	1	*X		X		
6		V	2	X	0.052			III	1	*X		X		
8		V	2	X	0.064			III	1	*X	X	X	0.064	
10		IV	3	X	0.064			III	1	*X	X	X	0.064	
12	IV	IV			0.064		III	III	1	*X	X	X	0.064	
14		IV						III						
15	IV	IV			0.064		III	III	2	X	X	X	0.064	
16		IV						III						
18	IV	IV			0.064		III	III	2	X		X	0.064	
20		IV						III						
21	IV	IV			0.064		III	III	2	X		X	0.064	
24	IV	2500 D			0.079		III	III	2	X		X	0.079	
27	IV	2500 D					III	III		X		X		
30	III	III		X	0.079		III	III		X		X	0.079	
33	III	III		X			III	III		X		X		
36	III	III		X	0.079	0.079	III	III		X		X	0.079	0.079
39		II						III						
42	II	II			0.109	0.079	III	III					0.079	0.079
48	II				0.109	0.109	III						0.079	0.079
54	II				0.109	0.109	III						0.109	0.079
60	I				0.138	0.109	II						0.109	0.079
66	I				0.138	0.109	II						0.138	0.079
72	I				†0.138	0.109	II						0.138	0.079
78	I				†0.168	0.109	II						0.168	0.079
84	I				†0.168	0.109	II						0.168	0.109
90	I					0.109	II							0.109
96	I					0.109	II							0.109
102	I					†0.109	II							0.109
108	I					†0.109	II							0.109

RCCP - Reinf. Conc. Culvert Storm Drain & Sewer Pipe (AASHTO M-170)
ACSP - Asbestos Cement Storm Drain Pipe (AASHTO M217)
CSP - Concrete Sewer, Storm Drain & Culvert Pipe (AASHTO M-86)
ESCP - Extra Strength Clay Pipe (AASHTO M-65)
ABS - Acrylonitrile-Butadiene-Styrene Composite Sewer Piping (AASHTO M-264)
PVC - Poly (Vinyl Chloride) (PVC) Pipe (AASHTO M-278 or ASTM F679)
X - Indicates this Dia. Pipe may be used
CPVC - Corrugated poly (vinyl Chloride) (PVC) Pipe with smooth interior, available in 4 thru 10 only (ASTM F949)
* - May also use Standard Strength Clay Pipe (AASHTO M-65)
E - Elongate in accordance with 603.06
† - 1'-6" minimum cover
NOTE - RCCP Class V-31600, etc., shall be furnished in accordance with (AASHTO M-170) Section 6. These loads are D loads to produce 001" crack
Thickness of steel is for 2 2/3" x 1/2" and 3" x 1" corrugations
125 mm x 25 mm Metric Corrugations may be used in lieu of 3" x 1" corrugations

KIND OF MATERIAL PERMITTED AND STRENGTH REQUIRED FOR THE RESPECTIVE DIAMETERS OF PIPE AND FILL HEIGHTS OVER THE TOP OF THE PIPE FOR STORM SEWERS

Nominal	Type 3 & 3B								Type 4 & 4B						
Dia.	Greater than 10' Not Exceeding 15'						Steel Thickness		Greater than 15' Not Exceeding 20'					Steel Thickness	
Inches	RCCP Class	ACSP Class	CSP Class	ESCP	ABS	PVC (CPVC)	2 2/3" x 1/2"	3" x 1"	RCCP Class	ACSP Class	CSP Class	ESCP	PVC (CPVC)	2 2/3" x 1/2"	3" x 1"
4		IV	1	*X		X				V	1	X	X		
6		IV	1	X		X				V	2	X	X		
8		2500 D	2	X	X	X	0.064			V	3		X	0.064	
10		2500 D	3	X	X	X	0.064			V			X	0.064	
12	IV	2500 D		X	X	X	0.064		V	V			X	0.064	
14		2500 D								V					
15	IV	2500 D			X	X	0.064		V	V			X	0.064	
16		2500 D								V					
18	IV	2500 D				X	0.064		V	V			X	0.064	
20		2500 D								V					
21	IV	2500 D				X	0.064		V	V			X	0.064	
24	IV	2500 D				X	0.079		V	V			X	0.079	
27	IV	2500 D				X			V	IV			X		
30	IV	2500 D				X	0.079		V	IV			X	0.079	
33	IV	2500 D				X			IV	IV			X		
36	IV	2500 D				X	0.079	0.079	IV	IV			X	0.079	0.079
39		2500 D								IV					
42	IV	2500 D					0.079	0.079	IV	IV				0.109	0.079
48	IV						0.109	0.079	IV					0.109	0.109
54	IV						0.109	0.079	IV					0.109	0.109
60	IV						0.109	0.109	IV					0.138	0.109
66	III						0.138	0.109	IV					0.138	0.109
72	III						0.138	0.109	IV					0.168	0.109
78	III						0.168	0.109	IV						0.109
84	III						0.168	0.109	IV						0.109
90	III							0.109	IV						0.109
96	III							0.109	IV						0.138
102	III							0.109	IV						0.138
108	III							0.138	IV						0.138

RCCP - Reinf. Conc. Culvert Storm Drain & Sewer Pipe (AASHTO M-170)
ACSP - Asbestos Cement Storm Drain Pipe (AASHTO M-217)
CSP - Concrete Sewer, Storm Drain & Culvert Pipe (AASHTO M-86)
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PVC - Poly (Vinyl Chloride) (PVC) Pipe (AASHTO M-278 or ASTM F679)
X - Indicates this Dia. Pipe may be used
CPVC - Corrugated poly (vinyl Chloride) (PVC) Pipe with smooth interior, available in 4 thru 10 only (ASTM F949)
* - May also use Standard Strength Clay Pipe (AASHTO M-65)
E - Elongate in accordance with 603.06
† - 1'-6" minimum cover
NOTE - RCCP Class V-3160D, etc., shall be furnished in accordance with (AASHTO M-170) Section 6. These loads are D loads to produce 001" crack
Thickness of steel is for 2 2/3" x 1/2" and 3" x 1" corrugations
125 mm x 25 mm Metric Corrugations may be used in lieu of 3" x 1" corrugations

LOW BID TOTAL FOR 2ND WARD SEWER SEPARATION PROJECT

PROJECT 88-144

CITY OF CALUMET CITY
2nd WARD STORM SEWER RELIEF PROJECT

PROPOSAL

THE UNDERSIGNED SUBMITS HEREWITH HIS SCHEDULE OF PRICES COVERING THE WORK TO BE PERFORMED UNDER THIS CONTRACT; HE UNDERSTANDS THAT HE MUST SHOW IN THE SCHEDULE THE UNIT PRICES FOR WHICH HE PROPOSES TO PERFORM EACH ITEM OF WORK; THAT THE EXTENSIONS MUST BE MADE BY HIM, AND THAT IF NOT SO DONE, HIS PROPOSAL MAY BE REJECTED AS IRREGULAR.

SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quantities	UNIT PRICES	AMOUNTS
1	SS,TYPE 2,RCCP CL.III (12")	7661 LIN.FT.	23.00	176203.00
2	SS,TYPE 2,RCCP, CL.III (15")	4230 LIN.FT.	22.00	93060.00
3	SS,TYPE 2, RCCP, CL.III (18")	470 LIN.FT.	25.00	11750.00
4	SS,TYPE 2, RCCP, CL.III (21")	1140 LIN.FT.	28.00	31920.00
5	SS,TYPE 2, RCCP, CL.III (24")	880 LIN.FT.	31.00	27280.00
6	SS,TYPE 2, RCCP, CL.III (27")	565 LIN.FT.	33.80	19097.00
7	SS,TYPE 2, RCCP, CL.III (30")	1005 LIN.FT.	40.00	40200.00
8	SS,TYPE 2, RCCP, CL.III (36")	1365 LIN.FT.	48.60	66339.00
9	SS,TYPE 2, RCCP, CL.III (42")	1415 LIN.FT.	64.80	91692.00
10	SS,TYPE 3,RCCP, CL.IV (42")	1200 LIN.FT.	73.50	88200.00
11	SS,TYPE 2, RCCP, CL.III (48")	500 LIN.FT.	74.00	37000.00
12	SS,TYPE 3, RCCP, CL.IV (48")	500 LIN.FT.	85.00	42500.00
13	SS,TYPE 3, RCCP, CL.IV (54")	1075 LIN.FT.	114.00	122550.00
14	SS,TYPE 3, RCCP, CL.III (84")	515 LIN.FT.	285.00	146775.00
15	SS,TYPE 3, RCCP, CL.V (84") TO BE JACKED	60 LIN.FT.	1365.00	81900.00
16	PVC PIPE UNDERDRAIN (6")	80 LIN.FT.	20.00	1600.00
17	84"- 22 1/2 DEGREE BEND, SS,TYPE 3 RCCP, CL.III	2 EACH	2700.00	5400.00
18	84"- 45 DEGREE BEND, SS,TYPE 3 RCCP, CL.III	2 EACH	2700.00	5400.00
19	84" R.C. HEADWALL	1 EACH	8650.00	8650.00
20	15" R.C. FLARED END SECTION	1 EACH	190.00	190.00
	CARRIED FORWARD			$1,097,706.00

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SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quantities	UNIT PRICES	AMOUNTS
	Brought forward			$1,097,706.00
21	LIFT STATION - COMPLETE	1 L.SUM	209100.00	209100.00
22	DUCTILE IRON FORCEMAIN, CL.52 (14")	470 LIN.FT.	26.00	12220.00
23	DUCTILE IRON 45 DEGREE BENDS (14")	3 EACH	465.00	1395.00
24	STEEL SLEEVE TO BE AUGERED (24")	60 LIN.FT.	140.00	8400.00
25	P.C.C. LOW FLOW GUTTER (7')	2800 SQ.FT.	3.20	8960.00
26	CATCH BASIN, TYPE A, 4'DIA. TY. 1 FRAME & OPEN LID	17 EACH	995.00	16915.00
27	MANHOLE, TYPE A, 4'DIAMETER TY. 1 FRAME & CLOSED LID	59 EACH	830.00	48970.00
28	MANHOLE, TYPE A, 5'DIAMETER TY. 1 FRAME & CLOSED LID	23 EACH	1425.00	32775.00
29	MANHOLE, TYPE T, 36" RISER TY. 1 FRAME & CLOSED LID	3 EACH	1025.00	3075.00
30	MANHOLE, TYPE K, TY.1 FRAME & CLOSED LID	2 EACH	4700.00	9400.00
31	MANHOLE, TYPE L, TY.1 FRAME & CLOSED LID	4 EACH	4860.00	19440.00
32	MANHOLE, TYPE M, TY.1 FRAME & CLOSED LID	1 EACH	5000.00	5000.00
33	MANHOLE, TYPE N, TY.1 FRAME & CLOSED LID	1 EACH	13400.00	13400.00
34	REMOVE EXISTING CATCH BASIN	5 EACH	135.00	675.00
35	PROVIDE EXISTING CATCH BASIN WITH CLOSED LID	4 EACH	85.00	340.00
36	ADJUST EXISTING WATERMAIN (12")	3 EACH	2300.00	6900.00
37	ADJUST EXISTING WATERMAIN (6")	6 EACH	1350.00	8100.00
38	ADJUST EXISTING SANITARY SEWER SERVICE	200 LIN.FT.	27.00	5400.00
39	ADJUST EXISTING WATER SERVICE	200 LIN.FT.	16.00	3200.00
40	REGRADE EXISTING DITCH	100 LIN.FT.	4.00	400.00
41	PAVEMENT REMOVAL & BITUMINOUS REPLACEMENT (7.5")	12200 SQ.YD.	19.70	240340.00
42	CLEAN EXISTING CATCH BASIN	10 EACH	120.00	1200.00
43	COMBINATION CONCRETE CURB & GUTTER REMOVAL AND REPLACEMENT	200 LIN.FT.	13.75	2750.00
44	AGGREGATE BASE COURSE, TYPE B	250 TON	25.00	6250.00
45	BITUMINOUS MATERIAL (PRIME COAT)	30 GAL	1.10	33.00
46	BITUMINOUS CONCRETE BINDER COURSE	9 TON	44.00	396.00
47	BITUMINOUS CONCRETE SURFACE COURSE CLASS I (MODIFIED)	6 TON	31.00	186.00
48	EARTH EXCAVATION (DETENTION POND) HAULED OFF-SITE	88300 CU.YD.	3.25	286975.00
49	TOPSOIL PLACEMENT (4")	26000 SQ.YD.	1.24	32240.00
50	SEEDING, CLASS 1	5.5 ACRE	1030.00	5665.00
	CARRIED FORWARD			$2,087,806.00

88-144

SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quanitities	UNIT PRICES	AMOUNTS
	Brought forward			$2,087,806.00
51	MULCH, METHOD 1	11 TON	280.00	3080.00
52	EROSION CONTROL NETTING	20000 SQ.YD.	0.62	12400.00
53	CHAIN LINK FENCE (6")	2015 LIN.FT.	7.80	15717.00
54	GATE (16' WIDE)	1 EACH	675.00	675.00
55	EXPLORATION TRENCH	3 EACH	980.00	2940.00
	TOTAL BID			$2,122,618.00

ROBINSON ENGINEERING, LTD.

CONSULTING REGISTERED PROFESSIONAL ENGINEERS

357 EAST 170TH STREET · P.O. BOX 386 · SOUTH HOLLAND, ILLINOIS 60473 · 0386
(312) 331-6700 CHICAGO (312) 468-1855 FAX (312) 331-3826

88-144

SECOND WARD STORM SEWER RELIEF PROJECT
CITY OF CALUMET CITY

ADDENDUM #1

August 21, 1989

Alternate No. 1

The city is taking an alternate bid for the installation of a 6" PVC underdrain system around the perimeter of the retention pond. The underdrain system shall be located at the top of the bank approximately below the proposed chain link fence and at other locations determined by the engineer.

The underdrain system shall be installed at an average depth of approximately equal to 6 feet below the proposed ground along the perimeters of Arthur Ave., Houston Ave., and Stewart Ave. The PVC underdrain installation shall be equal to that shown in the attached detail. 48" manholes shall be constructed at locations determined by the engineer.

The contractor shall make provisions for temporary pumping at the lift station location with this footing drain system until the lift station is in operation. The contractor shall be responsible for connecting the underdrain system to the lift station wetwell upon completion of the project.

The cost of the underdrain system including PVC pipe, gravel, geotextile fabric, excavation, and backfill shall be paid for per LIN.FT. of 6" PVC UNDERDRAIN.

Item No.	Item	Approx. Quan.	Unit Prices	Amount
56	6" PVC Underdrain	4,000 Lin.Ft.	$20.00	$80,000.00
57	MAN TA 48" Dia T1 FCL	12 Ea.	740.00	8,880.00
	Total Alternate 1			$88,880.00

Michael P. Mayer
HULETT CORPORATION
16121 S. Latrobe Ave.
P.O. Box 307
Oak Forest, IL 60452

MICHAEL P. MAYER
SECRETARY/TREASURER

9-14-89

Alternate No. 2

The city is taking an alternate bid on a slurry cutoff trench around the perimeter of the retention pond site in the event drawdown of the water table becomes critical to adjacent property owners. The slurry trench shall be constructed to a depth determined by the Engineer.

Observation wells approximately 20 feet deep shall be installed prior to installation of the slurry cutoff trench by a qualified soil engineer approved by the engineer. The wells shall be covered and locked. The observation wells shall be located at the soils engineer's direction to determine if the slurry cutoff trench is maintaining the ground water level outside the detention pond. If the observation wells show that the slurry cutoff trench is not functioning adequately, the contractor shall repair the slurry cutoff trench at no additional cost.

Trench shall be essentially vertical. An approved slurry mixture shall be pumped under controlled pressure through the underlying stratas and keyed into an impervious material.

The Contractor will be required to submit evidence that he is competent to construct a slurry trench. This evidence will insure that the Contractor or his subcontractor will have sufficient competent personnel to carry out the operations specified, and such personnel (as approved by Engineer prior to award of Contract) will have previous experience in the type of construction. In particular, a construction and slurry specialist(s) shall be used to supervise the construction, slurry preparation, and quality control.

Slurry shall consist of a stable colloidal suspension of pulverized natural sodium-cation bentonite or bentonite and cement in water.

A. Bentonite: High quality pulverized natural sodium-cation material. A written certification shall be supplied specifying the quality per each load shipment of bentonite received. Additives, if any, must be as approved by the Engineer.

B. Bentonite shall comply with American Petroleum Institute Standard 13A.

C. Cement: Portland Cement ASTM Type 1 or 1-S
A written certificate specifying cement quality shall be given by cement supplier for each tank load shipment of cement received.

Water shall be clean, fresh, and free from oil, acid alkali, organic matter or other deleterious substances. Contractor shall supply all the required water. Contractor is responsible for changes in the water chemistry and its effect on the slurry mixture.

Laboratory slurry mix design shall be submitted to the Engineer prior to construction of slurry trench start up.

Whenever temperatures are anticipated to be 32°F or less, suitable cover, as approved by the engineer, shall be placed over the slurry trench to prevent freezing.

Contractor shall have portable laboratory on the project.

Qualified person shall manage and operate laboratory.

At least two times per shift, tests shall be conducted to prove that mixed slurry shall meet all requirements.

Contractor shall remove all excess slurry and by-products from job site after trench completion to the satisfaction of the owner or his representative.

The Contractor shall prepare and submit the following:

1. A profile of the trench bottom and a description of the material encountered in the bottom.
2. Results on all construction control testing done to meet specification requirements for the slurry and the backfill.
3. A record of all admixtures utilized, their proportions and placement locations.
4. A record of unusual conditions of materials and construction problems encountered and dispositions made.

Measurement shall be based on the area in square feet of slurry trench measured in a vertical plane through the centerline of the slurry trench within the boundaries established by the working surface, the bottom of the excavated trench as approved, and vertical lines at each end of the approved full depth of the excavated trench. Measurement shall be based on surveys and soundings taken at the site as witnessed by the Engineer.

Payment for slurry cutoff trench measured as specified hereinbefore shall be made at the contract unit price per square foot. Such price shall include all costs of stripping, excavating by the slurry method of excavation, stockpiling or spoiling excavated materials, obtaining backfill materials from commercial quarry, mixing, blending and placing the slurry trench backfill, and all other items incidental to the construction and completion of the slurry trench. No separate payment will be made for slurry materials including bentonite, additives, equipment and mixing, handling and cleaning the slurry, cleanup, and assistance in the collection and maintenance of records; such items being included in the price for slurry trench.

The contractor shall provide a price for mobilization to the site which shall include setup of equipment and appurtenances. The exact location and quantity of the slurry cutoff wall will be determined once recommendations are given by the soil consultants.

Item No.	Items	Approx. Quan.	Unit Prices	Amounts
58	Mobilization and set up for slurry cutoff trench	1 Lmp.Sm.	$28,800	$28,800
59	Slurry cutoff trench by approved method	49,500 Sq.Ft.	2.30	113,850
60	Observation wells (approximately 20' deep)	8 Each	525	4,200
	Total Alternate 2:			$146,850

The contractor shall not include the Alternate No. 1 and Alternate No. 2 prices in the total base bid of the contract.

The contractor shall submit this addendum along with his bid documents and insert his bid prices on these sheets for consideration of Alternate No. 1 and Alternate No. 2.

ROBINSON ENGINEERING, LTD.

Russ W. Prekwas

Russ W. Prekwas, P.E.
City Engineer

Michael P. Mayer

HULETT CORPORATION
16121 S. Latrobe Ave.
P.O. Box 307
Oak Forest, IL 60452

9-14-89

MICHAEL P. MAYER
SECRETARY/TREASURER

LOW BID TOTAL FOR 6TH WARD SEWER SEPARATION PROJECT

PROJECT 88-145

CITY OF CALUMET CITY
STORM RELIEF SEWER
88-145

PROPOSAL

THE UNDERSIGNED SUBMITS HEREWITH HIS SCHEDULE OF PRICES COVERING THE WORK TO BE PERFORMED UNDER THIS CONTRACT; HE UNDERSTANDS THAT HE MUST SHOW IN THE SCHEDULE THE UNIT PRICES FOR WHICH HE PROPOSES TO PERFORM EACH ITEM OF WORK; THAT THE EXTENSIONS MUST BE MADE BY HIM, AND THAT IF NOT SO DONE, HIS PROPOSAL MAY BE REJECTED AS IRREGULAR.

SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quantities	UNIT PRICES	AMOUNTS
1	SS 1 CSP CL3 4"	100 LIN.FT.	5.00	500.00
2	SS 1 CSP CL3 6"	100 LIN.FT.	5.00	500.00
3	SS 1 CSP CL3 8"	100 LIN.FT.	5.00	500.00
4	SS 1 CSP CL3 10"	100 LIN.FT.	5.00	500.00
5	SS 1 RCP CL4 12"	800 LIN.FT.	21.00	16,800.00
6	SS 2 RCP CL3 12"	750 LIN.FT.	21.00	15,750.00
7	SS 1 RCP CL4 15"	100 LIN.FT.	26.00	2600.00
8	SS 2 RCP CL3 15"	200 LIN.FT.	24.00	4,800.00
9	SS 2 RCP CL3 18"	25 LIN.FT.	28.00	700.00
10	SS 2 RCP CL3 30"	1700 LIN.FT.	40.00	68,000.00
11	SS 2 RCP CL3 36"	2700 LIN.FT.	48.00	129,600.00
12	SS 3 RCP CL4 36"	950 LIN.FT.	50.00	47,500.00
13	SS 2 RCP CL3 48"	20 LIN.FT.	75.00	1,500.00
14	SS 2 RCP CL2 60"	850 LIN.FT.	95.00	80,750.00
15	SS 2 RCP CL2 66"	20 LIN.FT.	110.00	2,200.00
16	SS 2 RCP CL2 90"	10 LIN.FT.	250.00	2,500.00
17	TRENCH BACKFILL	15000 CU.YD.	13.00	195,000.00
18	R.C. PIPE ELBOW 60"(45DEG CL.2)	2 EACH	600.00	1,200.00
19	CB TA 4' DIA T1FOL	15 EACH	725.00	10,875.00
20	CB TC T1FOL	5 EACH	425.00	2,125.00
	CARRIED FORWARD			583,900.00

38-145

SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quanitities	UNIT PRICES	AMOUNTS
	Brought forward		$	583,900.00
21	CB TC TSG	1 EACH	365.00	365.00
22	CATCH BASINS TO BE REMOVED	5 EACH	100.00	500.00
23	CLEAN EXISTING CATCH BASINS	5 EACH	50.00	250.00
24	MAN TA 4' DIA T1F CL	3 EACH	800.00	2,400.00
25	MAN TA 5' DIA T1F CL	18 EACH	1200.00	21,600.00
26	MAN TA 6' T1F CL	3 EACH	1800.00	5400.00
27	ADJUST SANITARY SEWER SERVICE	4000 LIN FT.	14.00	56,000.00
28	ADJUST WATER SERVICE LINES	1000 LIN.FT.	6.00	6,000.00
29	ADJUST WATERMAIN 4"	1 EACH	850.00	850.00
30	ADJUST WATERMAIN 6"	2 EACH	950.00	1900.00
31	ADJUST WATERMAIN 8"	2 EACH	1000.00	2000.00
32	ADJUST WATERMAIN 10"	1 EACH	1400.00	1400.00
33	COMBINATION CONCRETE CURB & GUTTER REMOVAL AND REPLACEMENT	1500 LIN.FT.	13.00	19,500.00
34	PAVEMENT REMOVAL AND BITUMINOUS REPLACEMENT TYPE III 6 INCH	7200 SQ.YD.	12.00	86,400.00
35	6" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	18.00	900.00
36	8" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	20.00	1,000.00
37	10" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT	24.00	1200.00
38	12" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	28.00	1400.00
39	15" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	38.00	1900.00
40	18" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	62.00	3100.00
41	21" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	70.00	3500.00
42	24" DUCTILE IRON SEWER PIPE CL.52	100 LIN.FT.	80.00	8000.00
43	30" DUCTILE IRON SEWER PIPE CL.52	50 LIN.FT.	110.00	5500.00
44	TREE REMOVAL (6-15 INCH DIA)	50 IN.DIA	8.00	400.00
45	TREE REMOVAL (OVER 15 INCH DIA)	50 IN.DIA	10.00	500.00
46	FENCE REMOVAL/REPLACEMENT	100 LIN.FT.	10.00	1000.00
47	SEEDING CLASS1	500 SQ.YDS.	0.40	200.00
48	MULCH METHOD 1	0.2 TONS	350.00	70.00
49	SODDING	1000 SQ.YDS.	2.50	2500.00
50	TOPSOIL PLACEMENT 4"	1000 SQ.YDS.	1.50	1500.00
	CARRIED FORWARD		$	821,135.00

88-145

SCHEDULE OF PRICES

(For complete information covering these items, see plans and specifications)

Item No.	ITEMS	Approximate Quantitities	UNIT PRICES	AMOUNTS
	Brought forward			821,135.00
51	P.C. CONCRETE DRIVEWAY PAVEMENT 6"	200 SQ.YDS	22.00	4400.00
52	BITUMINOUS DRIVEWAY PAVEMENT	250 SQ.YDS.	8.00	2,000.00
53	SIDEWALK REMOVAL	500 SQ.FT.	0.60	300.00
54	P.C.C. SIDEWALK 5"	500 SQ.FT.	3.00	1500.00
55	DRIVEWAY PAVEMENT REMOVAL	450 SQ.YDS.	1.00	450.00
56	CLEAN AND TELEVISE SEWERS	1500 LIN.FT.	1.50	2,250.00
57	48" SLUICE GATE CHAMBER	1 EACH	33000.00	33000.00
58	POROUS GRANULAR EMBANKEMENT	2000 TONS	1.00	2000.00
59	CATCH BASINS TO BE ADJUSTED	10 EACH	150.00	1500.00
60	CATCH BASINS TO BE RECONSTRUCTED	10 EACH	500.00	5000.00
61	MANHOLES TO BE RECONSTRUCTED	10 EACH	500.00	5000.00
62	MANHOLES TO BE ADJUSTED	10 EACH	150.00	1500.00
63	INSTALL TYPE 1 OPEN LID	1 EACH	50.00	50.00
64	BITUMINOUS CONCRETE BINDER COURSE	2000 TONS	26.00	52,000.00
65	BITUMINOUS CONCRETE SURFACE COURSE CLASS I(MODIFIED)	2000 TONS	28.00	56,000.00
66	PRIME COAT	2500 GALS.	0.80	2,000.00
67	BITUMINOUS CONCRETE SURFACE REMOVAL (PARTIAL)	7000 SQ.YDS.	1.40	9,800.00
68	CONNECTION TO EXISTING INTAKE CHAMBER	1 EACH	12,000.00	12,000.00
69	MAN TD(IND.) 4.75'*7.5' T1FCL	1 EACH	6000.00	6000.00
70	MAN TE(IND.) 6.5'*7.5' T1FCL	2 EACH	7500.00	15,000.00
71	MAN TG(IND.) 11.17'*7.5' T1FCL	1 EACH	30000.00	30,000.00
	TOTAL BID		$	1062,885.00

ADDITIONS TO THE RECORD

Testimony for the Record

by

Secretary Michael P. Lane

Illinois Department of Transportation

on

Rebuilding of the Nation's Public Works Infrastructure

U.S. House Committee on Public Works and Transportation

Field Hearing

Matteson, Illinois

October 29, 1990

Mr. Chairman, I would like to thank you and members of the House Committee on Public Works and Transportation for holding this hearing on the rebuilding of the nation's public works infrastructure. I appreciate the opportunity to submit testimony for the record which expresses the surface transportation infrastructure concerns and needs of the Illinois Department of Transportation (IDOT).

I commend the Committee for taking a strong role in addressing the infrastructure crisis. The Committee has responded to the public works infrastructure "crisis" over the last decade, even as the general public just became familiar with the buzz word "infrastructure", through the 1987 Clean Water Act Amendments, the 1986 Water Resources Development Act, the 1982 and 1987 Surface Transportation and Uniform Relocation Assistance Acts and the 1982 and 1987 Airport and Airway Improvement Acts. The current and future work by the Committee on these programs is essential for the nation to fulfill its public facilities investment needs.

I especially want to thank the members of the Illinois Congressional delegation who serve on this Committee: Mr. Sangmeister, Mr. Lipinski, Mr. Savage, Mr. Costello, and Mr. Hastert for their efforts in representing the needs of Illinois in the Public Works Committee and in the Congress.

Mr. Chairman, we at IDOT are excited about the prospect for reshaping the nation's surface transportation policy which is currently underway. The expiration of the current federal highway program, combined with the completion of the nation's Interstate highway program, provides a unique opportunity to substantially restructure the federal surface transportation program to redirect federal resources from the past priority of constructing Interstate routes to current and future priority needs.

As you know, in preparation for a new authorization bill, major transportation interests nationwide have been active in in-depth reassessments of the future federal programs and development of recommendations to meet their needs. IDOT too has significant interest in the upcoming legislation. I am pleased to have the opportunity to share our concerns with you on highway and transit issues.

First of all, IDOT supports a continued strong federal funding component to the national highway and transit programs. Federal spending needs to increase, which can be accomplished by first spending down the Highway Trust Fund balances. Second, we believe that the federal-aid highway program does need restructuring, but needs to address national priority issues, not just return federal revenue to the states as a block grant according to contributions to the Trust Fund.

Illinois' strong surface transportation system has benefited from a strong federal program. The nation has benefited as well. With the consensus of reports that the nation is not adequately investing in transportation to meet current needs, let alone expected growth in demand, a strong federal program is clearly a good economic investment.

Highway Program Concerns

IDOT advocates that the federal program be restructured to meet the key categories of needs listed below in the next reauthorization period. Key objectives are to secure increased funding for Interstate repair and improvement needs, a new comprehensive program to address urban/suburban traffic congestion, and strong discretionary funding components. In addition, we support a strategy for closing out the Interstate program which minimizes the impact on the transition to a new, restructured federal highway program. The following are our key recommendations - some concerning individual programs and some concerning broad, overriding issues.

o Increased Funding for Interstate Repair and Improvement - IDOT supports increased funding for Interstate repair and improvement needs. The Interstate system is aging and traffic on it continues to rapidly increase, especially heavy truck traffic.

The need for repairs and improvements nationwide will accelerate and increased funding is a high priority. Federal funds "freed up" from the completed Interstate program could help to address growing Interstate repair needs.

- Expand Share of Program for Urban Area Needs - Urban/suburban traffic congestion has become one of the nation's most critical surface transportation problems. The impact of congested highways is especially severe on economic activity. If not adequately addressed, congestion will continue to worsen, significantly reducing the nation's productivity in a highly competitive world economy. Cost/benefit analysis done by the Federal Highway Administration shows that investment in urbanized areas has a significantly higher ratio for all alternative levels of program size ranging from 20% below current levels up to 30% above and even up to meeting full needs.

  To address this, IDOT is seeking an increase in the share of federal highway program dedicated to urban needs. Federal funding to improve capacity and to better utilize existing urban area roads should receive priority consideration in the next federal highway program. Specifically, we would prefer a separate urban program which would clearly focus federal funds on urban needs. To this end, IDOT advocates a comprehensive program to both increase funding for the existing Federal-aid urban program and establish a new urban highway component that would make funds available to the states for larger scale projects to improve major arterial streets and highways in urbanized areas. This approach would address both routine urban transportation needs as well as extraordinary needs such as major system management or capacity improvements. We envision such a program apportioning funds to states based on urban and urbanized population and also including a substantial discretionary component for extraordinary needs.

o Discretionary Funding - IDOT is seeking continued, strengthened discretionary program components in the next highway authorization. There are three areas where a discretionary funding component is especially needed: Interstate repair and improvement (I-4R), major bridge rehabilitation or replacement, and urban congestion relief. There currently are discretionary programs for the first two areas; they should be continued and strengthened to reflect the growing needs in these areas. For the third, urban congestion relief, a new discretionary component should be established as part of a comprehensive urban/suburban congestion program in the next highway reauthorization act.

The next federal highway authorization will likely continue to focus most of the funding resources on ongoing, routine repair projects. However, there will continue to be major, extraordinarily high-cost projects that require exceptionally large funding that cannot be accommodated with a state's regular formula apportionments. In addition, many of these projects are on heavily traveled segments in urban areas where the rehabilitation work must be done under accelerated schedules to minimize disruption to traffic. For example, a project to rehabilitate a heavily traveled expressway or to upgrade a regional arterial street to expressway standards typically causes horrendous traffic congestion in a wide corridor along the length of the project. Needs such as this run in uneven, lumpy cycles for which discretionary funding is needed.

Discretionary programs also offer a way to implement the US Department of Transportation's desire for greater participation in projects by the states, local governments, and the private sector, especially for projects to provide new capacity. While there is little broad-based support for substantially reduced federal participation for regular rehabilitation type projects, the more extraordinary projects, funded with discretionary allocations, are better suited for a smaller federal share. From the federal perspective, reduced federal project participation is a way to leverage more state, local, or private dollars. From the state perspective, discretionary funding can augment funding for extraordinary, high-cost projects for those states that are willing to commit a significant share of their own resources.

Transit Program Concerns

- Transit Factors for Distribution Formula - Should Congress consider increasing the amount of Mass Transit Account funds for formula distribution, IDOT is concerned about the formula that would be used for distributing these additional funds. It is very important that any distribution formula be based on transit needs factors to target funds to metropolitan areas, which have tremendous transit needs.

- Increase Funding for Formula Program - IDOT is seeking substantially increased federal funding for the formula (Section 9) program, which provides operating assistance and funding for routine capital projects. A decline in funding over the last five years has created serious shortfalls for both operating and capital needs nationwide. The continuation of operating assistance, especially for areas with a population under 1 million, should be a priority. Funding for routine capital projects should also be increased to deal with the backlog of deteriorated capital facilities and to ensure safe and reliable transit service.

- Increase Funding for Small Urban and Rural Program - IDOT is seeking a large increase in the size of the small urban and rural (Section 18) program. This program is authorized to receive 2.93 percent of the total formula funds. Congress has recognized that this share of total formula funds is inadequate to meet growing needs across the nation and has, over the last four years, appropriated additional funding. For example, in Illinois, the number of rural systems has increased from 7 systems in 1980 to 24 systems now. The percent share for the Section 18 program should be raised to at least the 5 percent level, to meet critical mobility needs in the nation's small cities and rural areas.

o New Starts - IDOT supports continued adequate funding for the "new starts" category in order to ensure federal funding for new transit operations nationwide. Currently, new starts is a separate part of the discretionary (Section 3) program designed to fund primarily major extensions to existing rail lines or the establishment of new rail lines. New rail systems, exclusive busways, or high occupancy vehicle lanes can provide much improved service with greater operational efficiency and reduced costs in high density corridors, relieving congested expressways. These extraordinary capacity expansion projects need a special source of funds like the new starts category.

In conclusion, there is an urgent need for the federal government to focus on the transportation infrastructure problems of this country. Thirty years ago the main purpose of the nation's transportation policy was to provide a first-class highway network for the nation's interstate commerce, for national economic development. This has been achieved and has contributed to the United States' premier position in the world economy. However, the key "transportation need" has now shifted to maintaining and improving the existing surface transportation infrastructure and preserving and improving the condition and service level of transportation in metropolitan areas. The problems of addressing transportation infrastructure concerns cannot be solved overnight...but great headway can be made in the form of comprehensive, strategic federal programs, working in concert with strong state/regional leadership. I urge the Committee to include in the new surface transportation legislation programs that focus on urban highway and transit needs and infrastructure improvements.

Mr. Chairman, thank you again for the opportunity to present the surface transportation infrastructure concerns and needs of IDOT. I wish you much success in refining and strengthening the federal role in meeting the full range of national infrastructure needs and in particular, the development of the next surface transportation legislation.

Testimony of William R. Deutsch
Illinois Petroleum Marketers Association
October 6, 1990
Regarding Future Highway Authorization Measures

The Illinois Petroleum Marketers Association has over 750 members - independent businessmen operating as jobbers, marketers and suppliers of petroleum products in every county in the State of Illinois. Their operations vary in size from as small as 300,000 gallons a year to as large as 70,000,000 gallons a year. Many of these marketers operate under branded names, others operate under their own independent names and therefore, you have the views of both the branded and unbranded segments of the petroleum marketing industry in the State of Illinois.

Many of our members are small marketers, owning tank wagons, pickup trucks, and using common carriers for the transportation of petroleum products. However, 40 percent of our marketers also own transports and pick up the product at refineries and terminals throughout Illinois and adjoining states, and transport the product to their bulk plants or directly to service stations or large commercial accounts. The marketers deliver 80 percent of the agriculture demands for gasoline, fuel oil, and diesel fuel. They also serve a large percentage of industrial users.

Eighty-five percent of Illinois petroleum marketers own or operate service stations. Today, sixty percent are self-service, and the remainder are full-service or dealer operated. Several other members either operate or own over 80 truck stops in Illinois. In addition, in the last seven years, many have entered into food operations in conjunction with service stations. These operations are known as convenience stores, and there are 2,200 operated by our membership.

An area of deep concern to our members is the proposal being circulated to modify 23 U.S.C. Section 111 to permit states to allow construction of service stations and restaurants on interstate highway system easements. As you know, Section 111 now prohibits states from permitting automotive service stations and other commercial establishments for serving motor vehicle users to be constructed or located on the rights-of-way of the interstate system. The rule, in effect since 1956, has been tested several times, and it has always held up in the courts. IPMA is concerned that legislation which might modify that provision to allow service stations, convenience stores or gasoline stations to be opened along the interstate system right-of-way might distort the competitive balance. We oppose this for several reasons.

First, additional food and fuel establishments are not necessary along the interstate system. As you know, at most highway interchanges, service stations have been constructed to serve the motoring public and generally, the restaurants, service stations and truck stops operate 24 hours per day to ensure the traveling motorist of food, fuel and lodging at all times. Further, at these interchanges, the competition for the motorist is vigorous, with both major oil company stations and marketer operated stations selling both branded and unbranded product. This healthy competition leads to lower gasoline prices and customer convenience as each motorist can select the brand of gasoline that he desires and can utilize an appropriate credit card as necessary. These road side facilities collect and pay numerous taxes to the local communities. We believe the present system serves the motorist very well.

Allowing a state to lease land along the interstate could be extremely harmful to our members and seriously undermine the investments they have made adjacent to the interstate. While it is clear that the motorist is well served by the current system of having service stations located on private land, we understand that states seeking additional revenue sources for highway maintenance and construction might consider leasing space on a highway easement as an alternative that would raise significant revenue without increasing taxes.

While IPMA appreciates the need for revenues by the states, we do not believe that destroying the livelihood or undercutting investments made by small businessmen is an appropriate method of seeking that revenue. Fuel is taxed heavily by the state and federal government. In site selection, marketers represented by IPMA have sought to provide the motorist with a convenient outlet, which often means leasing or purchasing land adjacent to the interstate. Often that land, because of its location, has commanded premium prices, and our members must sell high volumes of gasoline to recoup this investment. If a competitor is allowed to open a more convenient station on the interstate easement, he will undercut the revenues that our members depend on to pay rent, taxes and employees.

A second concern is that our members will be financially excluded from ever participating in leases along the interstate if this prohibition is removed. It is likely that if a state were interested in leasing service station space along the interstate easement, they will establish a number of sites where service stations would be built. For example, Illinois might indicate that service stations are to be built every 50 miles along Interstates 94, 94, 88, 80, 74, 55, 57, 72, 70, 40, and 24; this would represent approximately 50 to 100 stations. Illinois, in an effort to limit administrative costs may request bids from anyone capable of constructing and operating all of these stations. This is the policy of the Illinois Tollway System. If this were to occur, independent marketers who typically operate 4 - 5 service stations could not be qualified bidders, and the bidding would default to those major oil companies who are interested in operating these stations. Thus, our members with sites on interstate exchanges would be forced to watch as their competitors obtain premium sites in direct competition with them. Under no circumstances should a monopoly be given to a specific commercial operator.

The original interstate authorization act of 1956 clearly established that the interstate system would not be a commercial corridor. Businesses, including marketers, have relied on that decision to construct on interchanges and continue to make substantial investments to maintain and improve their facilities. A sharp change in the rules at this time would not be fair to these businesses who have and will continue to provide public services.

An additional problem with such a proposal relates to the Highway Beautification Act. Through the efforts of Congress, much of the interstate system is well landscaped and is free from the visual pollution of excessive commercialization, billboards are prohibited and in many cases, there are no effective means of advertising your services to the public. While this obviously has beautified the interstate system, it will create unfair competition if some service stations are constructed on the interstate and therefore, easily visible. Unfortunately, the competitors who are at the interchanges cannot use privately-owned billboards to advertise along the interstate several miles prior to their interchange and thus will remain unknown to most travelers, who in all probability will utilize the on-highway site for their fueling needs.

In the past few years, the State of Illinois has implemented a system of road side service signs. The Illinois Department of Transportation has erected large blue signs, and space is sold on these signs to commercial establishments. The signs are located on the right-of-way approximately one mile before the interchange. Food, lodging, and fuel each have panels on the blue signs. Individuals choosing to participate are charged $600 per year plus a one time fee of $300 to get the signs made. In almost every instance, the available space on all the signs along the interstates were completely sold out. This type of interstate sign program is implemented in at least 21 other states. There is certainly no need for further roadside services over and above those already provided in Illinois.

IPMA respectfully urges you to oppose any proposal to modify 23 U.S.C. Section 111 to allow commercial development on interstate highway easements in the next highway authorization bill. We thank you for your consideration of this matter. If you have any questions or desire further information, please contact Mr. William R. Deutsch, Illinois Petroleum Marketers Association at (217) 544-4609.

Record

WRITTEN TESTIMONY
SUBMITTED FOR THE U.S. HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION HEARING
BY THE SOUTHWEST COUNCIL OF MAYORS
OCTOBER 6, 1990

The Southwest Council of Mayors is a body of duly elected officials representing the 20 municipalities in the Southwest area of Cook County which consists of some 300,000 people. The Council meets on a regular basis to discuss common municipal issues which include, but are not limited to the areas of roads, bridges, airports and transit systems. Each issue in and of itself is extremely important to the continued economic well being of this area. The group has always sought to make sure the infrastructure of the area is adequate to meet the demands made on it. However; with an ever increasing burden being placed on local units of government to finance major projects, we call on the U.S. Congress to make sure monies are appropriated to assist communities in meeting these demands.

The Southwest Council of Mayors has found the Federal-Aid Urban Program most beneficial in meeting at least some of the needs of road rehabilitation, bridge reconstruction and street lighting in this area. The Council calls on the members of Congress to retain an FAU - type program in any new transportation legislation. We also call on the members of Congress to keep in place a system that has local officials selecting and programming federally funded projects. Congress must realize the dire need for increasing federal funding for urban areas. For the past 35 years, the national focus has been on funding the interstate system. We believe that with the completion of this system the focus should be on urban areas to retain mobility. This urban mobility must be recognized as a national concern because the economic vitality of our nation is dependent on it.

In addition to keeping an FAU type system in place with an urban emphasis, the Southwest Council also strongly encourages Congress to utilize any increase in the Federal Motor Fuel Tax for Highway Programs. While we recognize the need for deficit reduction, this money collected by the transportation users, needs to be returned to the transportation network. This position should not be compromised in any form. We must emphasize this point; this country has become what it is in a large part because of our transportation system. Without a commitment by Congress to maintain and expand this system, our country will fail in moving its people and goods to the market place. We hear all to often of the United States losing its competitive edge to other world markets. Failure to put MFT monies back into this country's infrastructure will only further lead to this loss.

Airports and air travel are also a very important aspect of our transportation network. The Chicago area is now considering the siting of a supplemental regional airport. The Southwest Council is in favor of a new airport as long as it is supplemental to the existing airports and not just a replacement of Midway Airport. Much can be gained from building a new airport, from keeping the Chicago area the transportation hub of this nation to increasing the employment possibilities throughout the region. On the other hand, much can be lost by closing or taking away the commercial airline traffic from Chicago's Midway Airport. The economic impact this facility has is far reaching; without it's existence, the losses associated with the closing would have regional impact.

In closing, we want to reiterate the Southwest Council of Mayors opinion on issues facing the U.S. House Committee on Public Works and Transportation:

1. The inclusion of a Federal Aid Urban type program in any future transportation legislation where the local officials select and program federally funded projects.

2. An increased emphasis in federally funded projects in the urban areas to retain mobility.

3. Any increase in the Federal Motor Fuel Tax be utilized solely for the transportation needs of this country.

4. There is a need in the Chicago area for a supplemental airport not a replacement airport.

Respectfully submitted by:

THE SOUTHWEST COUNCIL OF MAYORS

TO EXAMINE THE FUTURE OF OUR NATION'S INFRASTRUCTURE NEEDS

FRIDAY, DECEMBER 7, 1990

House of Representatives,
Committee on Public Works and Transportation,
Nashville, TN.

The committee met, pursuant to call, at 2 p.m., in rooms 12 and 14, Legislative Plaza, Charlotte and 6th Ave., Nashville, TN, Hon. Glenn M. Anderson (chairman of the committee) presiding.

Present: Representatives Anderson, Clement and Valentine.

The Chairman. Good afternoon. The Committee on Public Works and Transportation hearing on the Future of Our Nation's Infrastructure Needs will come to order.

It is a great pleasure for our Committee to be here in Tennessee today. We will be hearing testimony from an impressive group of witnesses, and I know that this is going to be an extremely productive hearing.

Before I yield to my colleague from Tennessee, Congressman Bob Clement, I just want to express my appreciation to him for his continuing leadership and valuable contributions to the Committee's efforts to address our nation's pressing infrastructure needs. And I especially want to thank him for recommending that we hold this hearing here in Nashville. It is a perfect setting for us to look at infrastructure in a rapid growth urban area of America.

During his brief tenure in Washington, Congressman Clement has quickly made his mark in the United States House of Representatives. He is known among his colleagues as a hard-working Member who has the ability to get things done. Even senior Members of Congress have taken notice of him. Shortly after his arrival in Washington, he was named to the very prestigious and important House Democratic Steering and Policy Committee. And Congressman Clement was the only freshman Member of Congress appointed to the Steering and Policy Committee during the 101st Congress.

And during his first full term in Congress, Bob managed to propose a very important piece of legislation which changed the way the Federal Government reimbursed local governments for noise abatement programs, in effect speeding up the noise abatement process by years in cities across the Nation. Very few freshmen Members of Congress have seen such major legislation adopted, a fact that President Bush even noted during a special White House bill signing ceremony held in the Oval Office.

Congressman Clement has also become rather adept at being able to secure federal funding for projects in his district and for the state of Tennessee. He was recently responsible for securing funding for a study of the effect that an earthquake along the New Madrid fault would have on infrastructure in the region and how that infrastructure could be more rapidly and effectively replaced after a major earthquake.

I personally admire Congressman Clement's dedication and obvious love for his district. If there is ever an occasion to promote Nashville, Music City, U.S.A., or Tennessee, Congressman Clement takes it. I have spent many hours in meetings and hearings with Bob Clement. And thanks to your Congressman, I know that middle Tennessee is a great place to live and work, right?

Mr. CLEMENT. Right.

The CHAIRMAN. Tennessee is the Volunteer State due to the tremendous number of troops who volunteered for duty in the World—in the War of 1812, serving under General Andrew Jackson. And Bob Clement represents the same district that Andrew Jackson represented. I know cousin Minnie Pearl used to be the Congressman's next-door neighbor when he was growing up in the Governor's mansion. Again, thank you, Bob. We are pleased to be in Tennessee.

And also with us this afternoon is Congressman Tim Valentine from the 2nd Congressional District of North Carolina. And I think it is worthy of special note that he is from Nashville, North Carolina. [Laughter.]

Tim is a respected and dedicated Member of our Committee. He serves on all three of our major subcommittees; Aviation, Surface and Water Resources, and is a Subcommittee Chairman on the important Science, Space, and Technology Committee. And this year, our Committee has been examining many aspects of the infrastructure issue, seeking a better understanding of our Nation's public works crisis. We have explored emerging infrastructure needs from the national perspective and reviewed the impact of infrastructure on private investment on the ability of the United States to compete in international markets. And we also plan to look at infrastructure financing alternatives and new technologies.

It is important, however, that we understand the kind of infrastructure problems that are being experienced at the local levels. So, we have embarked on a series of hearings at different sites around the Nation to talk with you, the people most directly involved with our infrastructure.

And let me tell you why infrastructure is a national priority. The answer is our economy. The United States ranks 55th in the world in capital investment. Japan spends five times more than we do on infrastructure, and West Germany's annual productivity rate is three times ours.

Infrastructure is not only concrete; it is competitiveness. Yet, what we see today is a system of peril and not pride. Sixty percent of our highways and 41 percent of our bridges are in need of work.

Traffic congestion has increased over 50 percent in the last ten years. In our Nation's largest urban areas, two billion hours of time are lost annually. And if you are delayed 20 minutes each day in rush hour going to work, by the end of your career, you will have wasted two working years.

By the year 2000, traffic delays caused by inadequate roads will cost us $50 billion in lost wages and wasted gasoline.

No new airport has been built in this country since 1974.

Many of our urban water systems are over 100 years old and lose as much water as they move.

And countless jobs are being lost.

Truly, this is a national problem of alarming dimensions.

And because of this, we are looking to you to help us gain further insight into our infrastructure needs. The question today is, what is the condition of the infrastructure in Tennessee, particularly in this region of the state. Are your roads, bridges public buildings, sewers and wastewater treatment plants, water supply facilities and other basic services adequate to meet current and anticipated needs of the area? And if not, what can be done and by whom?

We look forward to today's hearing to answer these and other questions.

And now, I would like to recognize Congressman Tim Valentine for any brief opening remarks he would like to make. Tim.

Mr. VALENTINE. Thank you, Mr. Chairman. I do not want to trespass on the time of the Chairman and Mr. Clement and those who have been kind enough to come here today. Suffice it to say that it is a pleasure for me to be in Nashville, Tennessee. I had a part in enriching the quality of life here when I sent my youngest son, Phil Valentine, here to work about four or five years ago. And we are here also to receive information from distinguished visitors who have come to testify and to try to tell the good people in this part of Tennessee what a splendid representative they have in the Congress in our young friend, Bob Clement. So, I will listen with interest to the testimony of witnesses and appreciate the many courtesies extended to us and hope to be back with you again soon.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Tim. At this point, I would like to call on Congressman Clement for his opening statement and then the introduction of our witnesses. Bob.

Mr. CLEMENT. Thank you, Mr. Chairman and Congressman Valentine. We are pleased to have both of you in Nashville, Tennessee, the 5th Congressional District, or what you referred to as Andrew Jackson's district. And then someone who came along a little later than that that you and Congressman Valentine remember in Tennessee history is—well, or U.S. history—and that is Sam Houston was also one of my predecessors in this Congressional district.

The CHAIRMAN. In this district?

Mr. CLEMENT. Yes, in this Congressional district. Andrew Jackson and Sam Houston. I am Number 38. [Laughter.]

How I know that, I spoke on the floor of the House of Representatives for one hour recently, and I traced our heritage all the way from Andrew Jackson to Bob Clement. That is how I know I am Number 38.

Chairman Anderson has got an extremely successful record in public life and private life as well. And Chairman Anderson has served for the State of California in the 32nd District since 1968.

Prior to that, he was a Mayor. He was also Lieutenant Governor in the State of California and then in Congress since 1968. And as you all know, is Chairman of the Public Works and Transportation Committee.

Congressman Valentine has just got elected for his fifth term. And just as he said, he is from Nashville, North Carolina. We were talking about that earlier. There are three of us that serve in the United States Congress from Nashville. From Nashville, Indiana, Lee Hamilton and Tim Valentine from the state of North Carolina and myself.

I would like to make a few opening remarks, and then, I am going to introduce our witnesses, or I might say, the first panel.

America's infrastructure, our extraordinary system of roads, bridges, airports, seaports and inland water and sewer systems, provides the framework for our dynamic economy. Highways are the backbone of that infrastructure and the glue that binds together all other modes into a multi-modal system. But our highways are wearing out, and as are other elements of our infrastructure system. The economy's life support system is ailing and needs to be revitalized if we are to meet the challenges of the 21st Century.

A Blue Ribbon National Council on Public Works Improvements found that while the demand we place on public works has been growing, our investment in infrastructure has not kept pace. Chairman Anderson pointed that out awhile ago. This failure is limiting us today and will impose serious economic burdens on coming generations. The result of more than 20 years of under-investment in public works spending has caught up with America. We are seeing wide ranging and serious problems with our nation's public works network.

Over 41 percent of the nation's 578,000 bridges are listed as either structurally deficient or functionally obsolete. Over 62 percent of the paved roads in the United States are in need of repair.

As we know well here in middle Tennessee, traffic congestion continues to escalate. The Federal Highway Administration estimates that at current rates, by the year 2005, the nation's drivers will spend $3.9 billion annually sitting in traffic.

Regrettably, federal spending for mass transit systems has been slashed 23 percent since 1980. Yet these systems are essential to relieving urban congestion.

And the situation facing our nation's airports is also becoming critical. A Federal Aviation Administration study showed that the number of airports experiencing significant congestion grew from ten in 1981 to 25 in 1990. To make matters worse, the FAA also estimates that air travel will increase by 70 percent over 1986 levels by 1998.

These growing inadequacies come at a time when the United States is facing serious economic competition from western Europe and the Far East. Studies have shown that countries which sustain a high level of public investment relative to output experience higher productivity growth than other countries. For example, Japan—I think this was also pointed out very eloquently awhile ago—has invested about 5.1 percent of its output in public works and achieved a productivity growth of 3.1 percent per year. The United States, on the other hand, invested 0.3 percent of its output in public works and has seen a productivity growth rate of a scant 0.6 percent.

Put another way, if we increase spending on core infrastructure by one percent of GNP, productivity would rise by an estimated $62.5 billion. Certainly, if the United States is to compete effectively in the world markets, we must begin addressing our core infrastructure needs.

The Committee on Public Works and Transportation will be preparing a new Federal Aid Highway Bill in 1991. In 1992, the Committee will draft a new Water Resources Bill. Over both years, the Committee will monitor implementation of the newly enacted Airport and Airway Improvement Act. The decisions Congress is expected to make over the next 12 months on our national transportation programs will have a profound effect on American quality of life and economic growth well into the 21st Century. The legislation to be drafted will emphasize five general principles: improving the country's international competitiveness, developing local and state economies, enhancing the quality of life, protecting public safety and providing flexible, consistent and stable funding.

I would also like to emphasize that we—the federal, state and local governments—have to tie together transportation and land use planning to a greater extent. We have allowed builders and developers to put private developments down without any concern for how people get in and out. No one worries about transportation. I believe we definitely need some kind of rejuvenation of the planning process that has been on the books since 1966.

We are fortunate this afternoon to be able to assemble those individuals who will be able to give us their expert views on key aspects of our transportation system. We will hear about Tennessee's transportation problems and needs. These problems are numerous, and a new innovative approach to transportation are needed. That is why I have asked the Committee to include a panel to discuss the important role bicycling can play in complementing public transportation.

As a member of the Public Works and Transportation Subcommittee on Surface Transportation, I will be focusing my energies in building Congressional support for bicycling and to ensure that the needs of bicyclists are adequately addressed in the 1991 transportation bill. Many states and regional governments have recognized that bicycling is a very important element in a regional transportation plan. Concerns about traffic gridlock, the high cost of road building, air pollution and the increasing need of many families to trim their budgets have, in effect, made bicycling an attractive alternative to more traditional modes of travel. In addition, bicycling promotes physical fitness and health.

In the first half of the century, President Franklin Roosevelt and Congress invested heavily on our national infrastructure to facilitate the transportation of goods to market. This prudent investment in transportation enabled the United States to become a super power in the global marketplace. At this point in our history, we are at a critical crossroads. America needs to commit itself, as our forebearers did, to investing in roads, seaports and airports to assure ourselves and our children a leadership role in a global economy.

Our hearing today is a step in that direction. The Public Works and Transportation Committee will receive testimony from a broad range of interests about infrastructure needs at the state and local levels. We also examine the costs required to rebuild our infrastructure and who should pay the bill.

I look forward to hearing from our distinguished witnesses this afternoon.

Chairman Anderson mentioned awhile ago that he asked me to introduce the various people that will testimony. And we will begin with an overview of middle Tennessee's infrastructure needs.

I am pleased to introduce Representative Robb Robinson, Chairman of the House Committee on Transportation. Chairman Robinson is serving his tenth term as a representative of the 51st House District.

We also have the Honorable Emerson Meggs, President of the Greater Nashville Regional Council and the county executive in Robertson County.

Rounding out the first panel, we have Ms. Gwen Hopkins, Information Officer for the Tennessee Department of Transportation. Gwen Hopkins is substituting for the Commissioner of Transportation, Mr. Jimmy Evans, who is out of town.

Chairman Robinson, we will begin with you.

TESTIMONY OF HON. ROBB ROBINSON, CHAIRMAN, COMMITTEE ON TRANSPORTATION, TENNESSEE HOUSE OF REPRESENTATIVES; HON. EMERSON MEGGS, PRESIDENT, GREATER NASHVILLE REGIONAL COUNCIL; GWEN HOPKINS, INFORMATION OFFICER, TENNESSEE DEPARTMENT OF TRANSPORTATION

Mr. ROBINSON. Thank you, Bob. Mr. Chairman Anderson, Mr. Valentine and our own Congressman Clement, we welcome you to Nashville. We appreciate, Bob, your being instrumental in bringing this fine Committee to Nashville.

Thank you for the opportunity to address you on behalf of the citizens of Tennessee. Those of us in Tennessee who have an interest in building, upgrading, maintaining highways and bridges are disappointed that the five cent increase in federal gasoline tax has been imposed and will likely be used for other projects. We had hoped that such funds, if not used for highways and bridges, should at least be used for transportation projects, such as mass transit.

Studies have revealed that by the year 2000, unacceptable traffic conditions will prevail in the middle Tennessee area, even with upgraded and expanded highways, if a mass transit system is not in place.

Gentlemen, in the last 4 years, we have increased gasoline tax twice to eight cents—in the amount of eight cents, and that brings our total gasoline tax in Tennessee—state tax to 20 cents per gallon. This is to fund a $3 billion-plus highway system over a 13-year period. Our goal is to expand our primary system and provide access to every community in this state. We hope to attract industry and provide a better standard of living for all of our citizens. The federal increase has eroded our tax base and will likely make it impossible to further increase the tax on gas in Tennessee in the near future.

We had hoped to finish this program without additional taxes or bonded indebtedness. At this point, that seems impossible.

Tennessee has a serious problem with off-system bridges. There are well over 4,000 defective bridges in Tennessee. Many of these are in serious disrepair. The present administration has responded to this problem with a ten-year $100 million program. But, this effort will not meet our needs over this ten-year period. Funds from the highway trust fund should supplement this program and programs of this kind across the nation.

In summary, gentlemen, I would like to recommend that we distribute the federal highway funds across the nation so that the world's finest highway system can expand and be properly maintained. Secondly, that funds be available to supplement this off-system bridge program. I further recommend, gentlemen, that this new gasoline tax and any future gasoline taxes be reserved for highways and transportation projects.

Thank you, gentlemen, for the privilege of appearing before you.

Mr. CLEMENT. Okay, our second panelist, county executive from Robertson County, the Honorable Emerson Meggs.

Mr. MEGGS. Thank you, Congressman Clement. I want to say that we appreciate Chairman Anderson and Congressman Valentine being in Tennessee today. And as County Executive of Robertson County, Congressman Clement represents us, as well as Davidson County, Nashville, and we appreciate the distinguished service he renders in that respect.

I speak today in my role as President of the Greater Nashville Regional Council, which is a planning and economic development agency serving 13 counties and 50 cities in middle Tennessee. Our region has approximately 1.1 million people living in urban, suburban and rural communities.

Every few years, the Council assesses the infrastructure needs of the region as part of our overall economic development and regional planning. This year, we updated this regional capital improvements plan. Local officials and citizens in each county met with the Council staff to identify the capital improvements needed in that particular county for the next five years. Those attending the meetings were people who would have the closest understanding of the needs, including county executives like myself, mayors, planners, road superintendents, public work directors, chamber of commerce leaders, and of course, private citizens.

We looked at needs in seven different areas: housing, industrial sites, recreation, transportation, solid waste, waster and sewer and other facilities in support of economic development. The projects were almost all regional, meaning that they impacted two or more jurisdictions.

When we finished, there was amassed a list of over 800 different projects with a combined cost estimated to total nearly four billion dollars. Of course, transportation headed the list, with 241 projects, costing a total of $2.7 billion. Almost half of these projects, $1.2 billion, improve existing roads and bridges. Water and sewer was the next largest category, with over $500 million in improvements needed. Solid waste projects will cost another $95 million, almost three times what was needed four years ago when we last inventoried needs.

This study documents the need for improvements in our infrastructure. Our region has experienced strong growth, especially in suburban areas. We have strained to keep up with that growth and demands of the public. We have far more needs than resources to meet these needs.

The problems are not just limited to Nashville and the suburban communities. Many of our rural counties also face roads that limit economic growth, water and sewer systems that serve too few and pollute too much, and new solid waste disposal requirements that cost far more. We need help to tackle these and other infrastructure needs that tax our already overburden resources.

The Council is also involved in efforts to improve other forms of transportation. When one of the major railroads in this area abandoned parts of its branch lines to the outlying counties from Nashville, local governments stepped in to form short line railroads. The Cheatham County Rail Authority and the Nashville and Eastern Rail Authority have taken over rail lines that were allowed to deteriorate for years and are struggling to rehabilitate them. The work is slow. The Federal Railroad Administration and the Tennessee Department of Transportation have assisted these groups, but a lot of work remains. These rail lines are vital lifelines to many companies, and consequently, to their communities. They haul raw materials and finished products today, but may some day carry commuters as well.

To solve some long-term traffic problems, we are planning to implement mass transit for the region. Studies warn that we cannot build enough roads to meet our needs. Our land is too valuable, our environment too important, our national interest in oil too vital to continue to depend on the automobile as our first means of transportation. We have established a regional transport authority that will examine expanding the bus service from Davidson County into the surrounding counties, as well as making long-range plans for light rail service.

The bottomline, as always, is money. We have relied over the decades on the Federal Government to provide a substantial portion of the cost of major new roads. We are now bearing a greater portion at the state and local level. But we still need the Federal Government to help fund these projects.

We are continually examining ways to get more use out of the existing resources. We have operated a demonstration regional ride-sharing program for several years until a private company took it over. We were instrumental in setting up the southeast's first transportation management association in Brentwood, designed to use many strategies to reduce congestion in a suburban city.

Even with innovative programs, we still need those federal dollars. The programs mentioned today had federal transportation dollars as part of the seed funding.

We are planning for our future. We cannot and must not be short-sighted. As we strive to serve our citizens, we need the Federal Government as a strong partner in those efforts.

Thank you, gentlemen.

Mr. CLEMENT. Thank you, Mr. Meggs.

Our third speaker as part of the panel is Ms. Gwen Hopkins, Information Officer, Tennessee Department of Transportation.

Ms. Hopkins.

[The prepared statement of Mr. Meggs appears on p. 2350.]

Ms. **Hopkins**. Thank you, Congressman Clement. I am sitting in today for Commissioner Evans from my Department. He was unable to be here today, and I will be reading a prepared statement of remarks that covers several points he wishes to share with the Committee today.

Mr. **Clement**. Do you have your speaker on? I do not think others can hear you.

Ms. **Hopkins**. I can speak a little louder. Will that help some?

Mr. **Clement**. Okay.

Ms. **Hopkins**. Okay. Good afternoon, Chairman Anderson, Congressman Clement and members of the Committee. Thank you for the opportunity to address you on behalf of the Tennessee Department of Transportation on a matter of very grave concern to me and to the citizens of this state.

I regret that I am unable to appear before you in person, but I am on my way to attend the annual meeting of the American Association of State Highway and Transportation Officials, or AASHTO, which is an organization of appointed and elected leaders like myself who represent the Transportation Departments from all 50 states. At that meeting, we will be discussing a number of transportation issues and attempting to fine-tune a platform of recommendations intended to assist you and your colleagues next year as you begin planning for the reauthorization of a new national Surface Transportation Act.

As a state transportation official, I must tell you that the five cent federal gas tax increase which took effect last Saturday was a bittersweet pill to swallow. The decision to increase 1991 spending levels by more than $2 billion and drawing off some of the more than $10.5 billion that is in the highway trust fund is commendable.

But all--not half—of the five cent increase should be dedicated to transportation needs. As a nation, our highways need to be maintained. Our bridges are old and in need of rehabilitation or replacement. Even many of our interstates are rapidly becoming worn and outdated. To keep up the current system, we will need $80 billion. Tennessee is united with the other 49 states in the belief that the Federal Government should share more of the burden, spend down more of the highway trust fund monies and dedicate highway user fees to transportation and nothing else.

Tennessee has one of the highest state gasoline taxes in the country—at 20 cents per gallon. The Department of Transportation receives nearly 61 percent of those revenues. Most of the remainder goes to city and county governments. We have increased our state gas twice in the past four years—the total amount of eight cents per gallon—in order to pay for a 13-year, $3.3 billion road building and improvement program. We have highway construction projects currently underway literally from one end of the state to the other.

But that program only addresses needs on Tennessee's primary system. Our interstates are suffering from wear and tear, and especially in many of our urban areas, they are operating beyond capacity. This is happening at a time when we have seen our annual allocation of 4–R money seesaw. In fiscal 1987, Tennessee received $72.4 million. The following year, it dropped to $61.3 million. Since then, it has been creeping up slowly to our current balance of $63 million. Next year, we anticipate getting $63.7 million toward the upkeep of a little over 1,100 miles of interstate highways in Tennessee.

An area where we have seen a more dramatic pattern of funding reductions and inadequacy is our bridges. Like most other states, Tennessee's primary funding source for rehabilitating and replacing bridges is the Federal Aid Bridge Replacement Program. In just three short years, we have seen this program cut $16 million, from $50.2 million in fiscal year 1988 to $34.2 million this year.

Unfortunately, we in Tennessee know first-hand what can happen when too little funding is spread dangerously thin. On April 1, 1989, a 50-year-old bridge on U.S. 51 over the Hatchie River collapsed, claiming the lives of eight Tennesseans.

Since that tragedy, the State of Tennessee has looked for ways to shore up our efforts in bridge safety and fill in the gap left by reduced federal bridge money. Earlier this year, Governor McWherter announced a new off-system bridge program to assist local governments in the maintenance and replacement of their bridges. Our legislature approved first-year funding of this ten-year, $100 million program and it became effective on July 1. The Department let the first replacement contract under this program on August 30 in Sequatchie County.

Of Tennessee's 18,711 bridges, more than half are off-system structures. We believe that between 150–175 deficient local bridges can be repaired annually with this new program, and we believe that is a step in the right direction.

Under our Federal Aid Bridge Replacement Program efforts, we are working to systematically address needs on bridges that are too narrow and that are posted for lower load limits.

Our current budget includes $7.5 million more for contract bridge repairs, and we have hired outside consultants to supplement the work of our in-house personnel in preparing repair plans. This will enable us to let more repair contracts for bridges this year than last year.

Like other states, Tennessee has had to begin searching for ways to make up for the increasing shortfall in federal funds. State and local governments now shoulder 78 percent of this country's total highway spending, as compared to the federal's contribution of only 22 percent.

As Congress begins preparing for reauthorization next year, strong consideration should be given to providing immediate increases in Federal Aid Bridge Replacement, Interstate 4–R and every other federal aid program.

Perhaps the single most important change I would like to see in the new transportation act for 1991 is the so-called "minimum allocation" provision. As you know, this provision was included to ensure that each state receives no less than 85 percent of the money it pays into the highway trust fund. The problem is that discretionary monies, emergency relief funds, demonstration projects and such are counted against the minimum allocation apportionment. Tennessee is a donor state, meaning we pay more into the highway trust fund than we receive back through federal apportionments. When a discretionary bridge grant or emergency relief funds are counted in with our minimum allocation, it means we are not really getting our fair share. States that are not donors are not penalized in this way when they get discretionary monies.

Funds received through special grants should be in addition to federal funds we are entitled to through regular apportionment formulas. Tennessee would like to see the guaranteed minimum return to states be in the 90 to 95 percent range in the new legislation, with no penalty for any additional special funding which might be received. I have already contacted each member of Tennessee's Congressional delegation to ask for their assistance in correcting this inequity. And today, I am respectfully asking the members of this Committee to give it strong consideration as well.

The national association I mentioned a moment ago, AASHTO, estimates we will need $100 billion to meet increased demands and point us in the right direction for a prosperous future. Any further diversion of highway user fees and further delay in releasing monies accumulated in the highway trust fund deprives our nation's transportation system of badly needed revenue. Enactment of a new surface transportation act with fair and equitable distribution for all 50 states should be at the top of the Congressional agenda next year.

Thank you for your time and again for the opportunity to address you here today.

[The prepared statement of Ms. Hopkins appears on p. 2325.]

Mr. CLEMENT. Thank you, Ms. Hopkins.

Let us stay in recess for two minutes whereby we can fix these microphones where the panel is located because I know the audience is having a difficult time hearing.

[Brief recess.]

Mr. CLEMENT. We are back in session again. We got the microphone system corrected.

Now the witnesses, if you will come back, Representative Robinson, County Executive Meggs, Ms. Hopkins.

The CHAIRMAN. Thank you, Bob. And I want to thank the panel for their statement. First of all, I, too, share the disappointment of at least two of you—maybe three of you—that part of the new gasoline tax increase went to deficit reduction. I think that was wrong, and in time will prove to be counter-productive.

I remember a few years ago when we were under Secretary Drew Lewis in Washington at that time and we needed some money. And we talked about raising the gasoline tax, and it was felt that in addition to the administration going on television and the press and saying we are going to need to raise gasoline tax to be used for our highways, that each—some of the Congressmen should go in their parts of the country and make the same kind of a pitch. And each of us promised that every penny we collected in the gasoline tax was going to be spent for our highways.

And I remember out in my part of the west—I covered two or three states at least out there—and every show I was on, I urged the increase and my job was to contact other Congressmen and try to get the support for it. But we promised that every penny was going to be spent for what it should be spent for—highways, bridges, local transportation needs. And then, of course, here we ran into this situation this last year where they said let us take that gasoline tax money that you are raising and take that and pay out—put it to apply to the deficit, which kind of screws it all up because people do not mind going to the gasoline station and buying gasoline and paying some additional pennies for gasoline tax knowing that what they are paying for is going to help them with their local transportation, whether it is building roads or bridges or whatever it is. So I introduced—we introduced a resolution to counteract that. And I believe the last I heard, we had 250 of our Members—I know we were up very high. So when you get 250 Congressmen to co-sponsor a legislation to say that every penny we collect is supposed to be spent for highways, if that is what it is told it is going to be for. And so, I wanted to thank you for your statements in support of that.

Now, I do have one question which I would like to address to the panel. As you are local officials and as local officials, you are the closest in seeing the real importance of infrastructure, what is needed in your area. And incidentally, it seems to me that what I have found is that almost every part of the country is a little bit different. You go into one city, to them, this is the big thing. And it is—you are the people who know what is needed and how it should be done in your area. And given your experience what factors do you think we should consider or give priority to in crafting a national infrastructure program? In other words, how should we do it? I would like to ask you that question.

Mr. MEGGS. Mr. Chairman, the Greater Nashville Regional Council has been a part of a recent study that was initiated by the Metropolitan Transit Authority and Metropolitan Planning Commission and the Regional Transportation Authority. And we have seen congestion grow, and within ten years, the impact is going to start retarding regional growth if transportation issues are not addressed. It is estimated our travel times will double by the year 2000 and double again by the year 2015. We find that the average travel time from Rivergate Mall area, just north of downtown Nashville to the downtown area is about 23 minutes in 1985 and it will be twice that long in 1995.

So, I will add again, it just is not a big city problem. We are going to find this true in our surrounding counties, and the suburban gridlock that you read so much about in New York and California is a problem that is rapidly spreading to a lot of other places. So, regional transportation approaches to this seem very important to those of us who even live in the areas outside Nashville.

The CHAIRMAN. Any other member wish to comment on that? Mr. Robinson.

Mr. ROBINSON. We, in—by resolution, established the Regional Transit Authority, and the members of that Authority have been working diligently to come up with a plan for the future and try to find some dedicated source of revenue so that this Regional Transit Authority can function. Those folks are certainly to be commended for the efforts that they have put forth. But the results of the studies that have been made are frightening in that these transportation problems are closing in on us, and certainly, we need to take action—begin that action immediately to take care of the 1990s and the year 2000.

The CHAIRMAN. Ms. Hopkins.

Ms. HOPKINS. I would just like to say that, of course, our Public Transportation Division is involved with the Regional Authority. And so, we are fully in support of what they are trying to do and stand ready to cooperate in any way that we can with their efforts.

The CHAIRMAN. Thank you all. Mr. Clement, back to you.

Mr. CLEMENT. Okay. Congressman Valentine, do you have some questions?

Mr. VALENTINE. I do. I just want to—does this thing work? Or this one? Or maybe I will just talk louder. I want to—I share the point of view expressed by all members of the panel with respect to the diversion of part of the federal tax for non-highway construction purposes. That is the way all of us on the Public Works Committee feel, and that is the way, certainly, my officials or counterparts in North Carolina have properly schooled us, and I am sure the same is true of California.

But let me just mention a little political philosophy about that and tell you some of the reasons that I think are part of increasing the tax on gasoline and oil petroleum products was diverted to the federal fund, and reasons that I think that is a threat that we will face in the future.

First of all, the highway tax seems to be less controversial than other taxes because the price in gasoline goes up and down, and I remember within the past several years, under the leadership of a Republican governor—not to mention partisan politics—but increasing the gasoline tax was recommended to North Carolina General Assembly and passed. And I believe that I am safe in saying that the Governor and members of the General Assembly were so lucky that the price of gasoline went down, and that tax went on and nobody even noticed it.

So, I do believe that it is perceived to be a less controversial source of revenue, and it is so easy to collect. You know, you put it on and it is hard to evade. It is kind of like the tax on tobacco products. And there are some people in Congress who believe that there are legitimate reasons to spread that cost around. For example, to use some of those funds for correction of environmental problems and so on.

But I—while all of us would oppose it, I am afraid that it is here to stay. We tried to be sure that all of that money was spent to improve the infrastructure and new roads and so on, but we failed.

Just one question or two. Are there any toll roads in the state of Virginia—of Tennessee?

Mr. ROBINSON. No, sir.

Mr. VALENTINE. Is the state system operated entirely—or is the system of highways—both primary and secondary highways—financed for the whole state of Tennessee, or do counties raise money and build local roads?

Mr. ROBINSON. Go ahead. You need to answer that.

Mr. MEGGS. Well, I think we both probably could answer it. Representative Robinson is very helpful in this respect for counties in Tennessee. We have two or three different sources that are used on the local level. For example, many counties use what is called a wheel tax. Sometimes, that is used for other purposes, in addition to local bridges, roads and so forth, or to supplement funds and—you heard mention earlier about the Governor's program in Tennessee over the next ten years for bridge rehabilitation. And we participate on a matching basis in that respect. We oftentimes use a property tax as another source of revenue at the local level to supplement whatever is done through the gasoline tax.

Mr. VALENTINE. So, in the county property tax—ad valorem tax, at least in the counties, is used in part to build county roads.

Mr. MEGGS. We have that privilege and many counties do use that as a source of revenue for those purposes.

Mr. VALENTINE. So, that is a kind of reverse of the diversion of the gasoline tax, is it not?

Mr. MEGGS. Yes, sir.

Mr. ROBINSON. What—a penny of gasoline taxes in the state of Tennessee brings in about $25 million. Our present gasoline tax in Tennessee is 20 cents, and that is a half a billion dollars. About 60 percent of that, or $300 million of it, goes to the state and is used by the state. And approximately 40 percent, or $200,000—$200 million of that goes to the counties. There is some supplement there, but for the most part—for the most part, the roads in the county are funded by that state tax. Now they—some counties supplement it and have federal roads, of course, as a result of that.

But, I think that the reason that gasoline taxes are as well accepted—no tax is received very well—but the motorists of Tennessee feel that gasoline tax, if it is being used for highways and transportation projects, that their money is going into an area that they are responsible for. Now there are other ways, I think, to take care of environmental problems. They can use the automobile registration as a way. A tax on the automobile itself. But I feel like that—and the people I represent feel like—that the money that goes into the gasoline tax should be spent on highways and transportation problems. We do not feel like—we are not sure that that is going to cover the cost at this point. But we feel like that every bit of it should go back to the people in that form, and they will accept it.

Mr. VALENTINE. You can see that tax spent. You can see people scraping the roads. You can see them resurfacing. One more question. In the state of Tennessee, are there other sources of revenue where the money goes directly for the construction of new roads or improvement of roads or building bridges and other parts of the infrastructure, such as the registration fee for automobiles, the issuance of license plates and driver license reissuance or other areas. And finally, do you utilize borrowed money to any extent? Do you have structures that are built as a result of a bond issue?

Ms. HOPKINS. To answer the first part of your question, primarily, our roads are funded through gasoline tax revenue. We also get a portion of vehicle registration and some of the diesel—other motor fuel type revenues that are collected in the state. We currently have some projects that are finishing up that were funded through bond authorization, but we currently have no bonds that are currently outstanding at this point. It is all through collected revenues, primarily being the gasoline and motor fuel taxes.

Mr. **Valentine**. Thank you.

Mr. **Robinson**. Mr. Valentine, we in the legislature decided several years ago that we were going to be ready if any available funds were provided in Washington. And we passed legislation to authorize bonds. Many of those bonds were never sold, but we had them sitting over there in case you folks wanted to turn lose of some money, we were there ready to grab it.

Mr. **Valentine**. Let me ask you just one more question. We all are tied to and I guess a product of our own experiences, do you have anything in this state similar to what—in North Carolina, we call the Powell Bill money. A part—a fraction of all money collected by the state of North Carolina for highway purposes based on some formula goes back to the cities and towns to build streets. Every incorporated village in that state gets a little bit. Some are even down to just a few hundred dollars. Do you have anything like that?

Mr. **Meggs**. Yes sir, Mr. Congressman. A portion of the gasoline tax, as has been said earlier, is distributed among cities and counties across Tennessee on a formula basis, and that is where much of the local monies are utilized for local roads that are not a part of the state system as such. But, we do have that. But the part I mentioned earlier about wheel tax and property tax and so forth, is in addition to or supplemental to those funds. But the major part of it does come through that source.

Mr. **Valentine**. Thank you. Thank you, sir.

Mr. **Clement**. I also want to comment on what was said earlier about the gasoline tax because the vast majority on the Public Works and Transportation Committee felt very strongly that there should not be any increase in the gasoline tax, unless it was applied totally toward improving our infrastructure in this country. And as you know, when it was first proposed, it was 12 cents. Then we tried to get it to zero. And then, it went to five cents. And many of us were very displeased about that.

I would also like to comment—I know, Mr. Meggs, you commented about the solid waste infrastructure. And I know Robertson County has really done a good job when it comes to solid waste. And I would like for you to expand on that for a moment, and then, we will get to the next witness.

Mr. **Meggs**. That is a growing problem, as all of us aware of, Mr. Clement, and we appreciate your concerns. But the Tennessee General Assembly passed a bill in 1989 that required the state to complete a state solid waste plan. And this is going to be introduced in the General Assembly this year. And one of the things that we find, of course, is that we are just like everybody else, there is a tremendous volume being produced at a local level.

But Tennessee has adopted new landfill regulations modeled after EPA's proposed subtitle D regulations. It has been estimated it was going to cost local governments about $150,000 or more per acre to meet these regulations in land filling, and it is probably going to be somewhere in the neighborhood of $20 million annually. The state plan is supposed to require the counties or a combination of counties to prepare their own individual plans and set a goal of reducing or recycling about 25 percent of our waste by 1994. Local governments in Tennessee will have a heavy load to bear in solid waste management. It is evident everywhere. But we feel that this issue is one of national importance, and as a public infrastructure, deserves more attention than it has been getting from the federal level.

For example, we need a firm national policy on packaging and directing at the head of the stream, so to speak, a comprehensive policy for waste management and biodegradable products, recycled products and so forth. And it is going to be very beneficial if we can get some direction from the federal level in helping us on the local level to find it more manageable because we certainly cannot from the local level direct those particular aspects of such a policy.

Mr. CLEMENT. Thank you, Mr. Meggs. Thank you all. Appreciate your participation in this panel today.

Mr. MEGGS. Thank you, gentlemen.

Mr. CLEMENT. Next, I would like to introduce the Representative of the 66th District of the State of Tennessee, the Honorable Gene Davidson. Representative Davidson was born and raised in Robertson County. He is currently the Chairman of the House Education Committee. And Mr. Davidson will testify on rural issues. Please come forward.

TESTIMONY OF HON. GENE DAVIDSON, REPRESENTATIVE, TENNESSEE HOUSE OF REPRESENTATIVES

Mr. DAVIDSON. Mr. Anderson, Congressman Valentine, Congressman Clement, it is good to be with you today. I represent the area of a former Congressman by the name of Joseph Wellington Burns, who was speaker of your august body in the early 1930s. I am a resident of Robertson County, which is a county adjacent to metropolitan Davidson County. During my tenure in the General Assembly, I have seen the area which I represent emerge from a rural county to now a suburban county.

The needs of the area of Robertson and Cheatham Counties of which I represent have changed over the years quite dramatically. With growth, we have faced new challenges, as you can quite imagine. Some of these challenges we have been able to handle, while others, we as an area have not been as successful.

Our area infrastructure has to be improved. Over the years, we have tried to bring about improvement to this. But there are areas of the district that I represent that are stymied by the fact that they cannot afford to implement sewage systems on a first-time basis or expand existing sewage systems which are now antiquated. The same is true of existing water systems that cannot handle the growth that is coming out from metropolitan Nashville. And as I speak of that, I am talking about Robertson and Cheatham Counties. But also, this would be true of all of the bedroom counties around—in and around Davidson County and also those that even branch out farther from our respective counties.

Our local governments and the state can only afford a limited degree of expansion because of the demands that have arisen due to growth and transferred responsibilities, which the state has had to assume and local governments have had to assume. In addition, environmental legislation, while although beneficial, has placed new financial burdens on infrastructures.

In a case in point, a small municipality in the district which I represent supplies probably 1,000 people—customers for water usage. And recently, they were ordered or placed under a mandate to implement a flushing system whereby the water or the residue from the treatment facility before it could re-enter the stream from which it was drawn had to be purified and, in essence, the water was more—was pure more so when it was going out than what they were actually taking in. This amounted to over $100,000. In essence, it was money that had to be tacked on those individual ratepayers. Plus, in addition to this fact, they must meet the expanding need for water.

Transportation. Transportation is without saying perhaps the most important link that we all have to the rapidly changing world today. And I think that each of us face that in our respective districts, and I am sure that you do in yours. Our state has tried to improve the highway system all across this fair land. As you well know, it is a timely and costly proposition. In many instances, our efforts have been behind development, especially in the rural areas and the suburban areas.

Highway development in the district that I represent has run into many obstacles. Most of those obstacles were, in fact, due to the relocation of portions of existing infrastructure, such as water lines and sewer lines, whereby they had to be removed in order to place an—to improve an existing highway. The local governments could not afford to relocate these systems because of the cost. And to further compound the problem, there was the absence of a structure in place to help iron out the difficulties of state versus local conflicts, state versus federal conflicts and also local versus federal conflicts. It was a "take it or leave it" proposition, and these communities would have to be in a position to be ready to assume those financial responsibilities or face the task of losing that project, which in fact, was—or could be beneficial and would be beneficial to their area.

We in the outlying areas are also faced with the problem of a coordinated effort to link the highway system as far as improvements with the larger metropolitan areas. With the larger cities faced with their respective traffic flow problems, there has been little initiative on the part of large metropolitan areas to join in a united effort with satellite areas to address the needs of the outlying suburban areas in making access easier.

A case in point in the district in which I represent is Highway 431: The highway was improved on a two-lane system. Actually, it is about 12 miles long. It connects to an interstate from the county seat of Robertson County, Springfield. The road was improved to the Robertson County line and stopped there just short of the Davidson County line, due to the fact that we were unable to get activity or interest from the Davidson County sector. So, in essence, we were land locked in that respect.

We in the areas surrounding Davidson County recognize the need for a northern beltway around Nashville linking Interstates 40, 24, 65 and then back to 40 on the east. All of these arteries today are heavily traveled and all end up at square one, which is Nashville—which is in Nashville, thus creating a bottleneck here in the city. The situation is terrible today, and as you have already mentioned previously, by the year 2000, it will be a disastrous situation for our geographical area here unless something is done to correct the problem.

The project I-840 is too costly for the state to take on alone. In this situation, we must have some federal assistance.

In summation, I bring to you for your information two points already alluded to in my statement. First, we need assistance and advice in coordinating projects. I do not think that this would be a costly item, but it is something that needs to be done from the point that we began the developmental stage up to the point of actual construction. And second, we need federal assistance at least at the current rate of funding. And we all would appreciate more, but we certainly I do not think could stand any cutbacks in our areas. Without it, our existing infrastructure will crumble even further and new programs and projects will die on the vine, as well as communities.

I know of the budget woes that you face in Washington. However, the money that you spend on the highway system in this country equates into more jobs for developing communities. As you well know, more jobs equates into more tax revenue.

I thank you.

[The prepared statement of Mr. Davidson appears on p. 2317.]

The CHAIRMAN. Thank you, Representative Davidson. One question, I think, is what do you see as the major highway investment needed to stimulate the rural economy, and how important is general aviation and the condition of aviation facilities to economic development in the rural areas of Tennessee?

Mr. DAVIDSON. First of all, in Tennessee, as was mentioned in earlier testimony, we have begun a road program in Tennessee to try to link up or hook up the rural communities across this state. And as was already mentioned, it is a pay-as we-go program, which has some problems in the fact that it is a little bit slow, especially with the growth that is coming in. But, we have—we are identifying or have identified major problem areas across this state, especially in the rural areas and we are trying to put in links in there by transportation by a better highway system, whereby those communities will be linked with larger areas or even into interstate areas whereby they will have accessibility.

Now, a respective area in northern middle Tennessee—of course, in southern Tennessee today, there is the ongoing construction of a beltway around Nashville there. That links a lot of the outlying county seats or high growth areas. It does take some of the traffic congestion away from Nashville and downtown Nashville. And also, it allows those cities and those areas a chance to expand. Not only do those areas expand in and around the beltways, as we have seen, but it goes out even farther from that and serves basically, if you please, as a magnet whereby other areas even in close proximity to those beltways begin to grow and begin to fill the growth pattern there. And so, therefore, it spreads it out somewhat.

In the northern area, that is what we have tried to address with the challenge of I-840. This would link major cities, the cities of Dickson, the cities basically of Clarksville, Springfield, Gallatin and then back over into Wilson County with Lebanon and down into Murfreesboro, which in essence, would create a circle around Nashville to stop some of the heavy traffic from coming in here. It would also allow growth into the outlying areas with manufacturing where they would have accessibility to shipping.

With respect to as far as the airports in the area, of course, I think we can all attest to the fact that with the hub location here in Nashville here today by American Airlines, that this has actually generated activity within the area. Not only within Davidson County, but within all of the surrounding area here, and we are very—we are all very grateful for that.

And the satellite communities in and around Davidson County, there are small airports located there. And I know, for instance, in Springfield, the area that I represent, we have an airport located there. Today, it is an industrial tool.

And if I can back up for a moment and explain that. Over the years, with the creation of this airport, many people felt locally that it was a playground area for those who would who go out and play with their planes on the weekends—the weekend flyers and those who were training in aerobatics. As a matter of fact, in this one particular airport, the U.S. Olympic team has trained there over the years. And so, it had, I guess, the stigma attached to the fact that it was a playground area. But today, I think that has changed greatly.

It has changed due to the fact that industry in coming in and scouting the area, one of the first things that they ask for is what—do you have an airport. And if you do, how long is that air—how long is the runway? What type of facilities do you have at—on site? And due to that, we have increased the footage of the runway now to 5,000 feet, which we actually need to increase it even more to roughly a 6,000-foot area. But it serves today as a business tool. I think that it has been beneficial in drawing industry into the area. They utilize it, and I think that even with expansion of it, we can expect even more things to come. One of the reasons why we would need to have it expanded would be particularly for air freight.

The CHAIRMAN. Mr. Valentine.

Mr. VALENTINE. Do you know what part of the money which the state of Tennessee pays into the Federal Government which is marked for mass transit—do you have any idea what part of that you—what percentage you get back? Well, that—well, let me just tell you a sad story that I—maybe might justify some checking into in the state of Tennessee because I do not believe you would be that much different from the state of North Carolina.

With all of the economic problems that we have in our state and the relatively low per capita income and that sort of thing, for every dollar that the state of North Carolina pays into the federal mass transit fund, we get a nickel back. So, in addition to all of the other problems that we have, the effect of states that have high rural populations—for instance, in the southeast and out west—is that we are actually helping to finance the subway system in New York City and other metropolitan areas. And I would suggest that you might want to check into that and see if you can give some assistance to those of us who are going to try to change that situation.

You talk about donor states and you talk about getting back less than what you paid in. And my state is in a similar situation, but that mass transit thing is really a catastrophe. And of course, what they say is that it is based on what the Federal Government says is mass transit. You know, it is a rail system, and I am not suggesting that North Carolina or Tennessee needs to have a subway system around. But there are all kinds of mass transit. That is something you might want to give some thought to and contact Bob Clement and others to see if we cannot get that changed.

Mr. DAVIDSON. I appreciate that. I was not aware of the fact that that much was going to other areas, and I did not mention the fact that we do have commuter problems in the surrounding areas. That was mentioned earlier, but it is a major problem in the outlying areas, and I know that it really adds to the congestion here in Davidson County. I also realize the fact that it does add to the pollution problems that they have here.

Mr. VALENTINE. Thank you, Mr. Chairman.

The CHAIRMAN. Bob Clement.

Mr. CLEMENT. Well, I wanted to expand on what Congressman Valentine said, according to your testimony, Representative Davidson because I am very interested in mass transit. We sure ought to be treated fairly on a national scale for many of those dollars to return to the various communities across this nation. Most of our growth in the middle Tennessee area has been outside Nashville to the contiguous counties that have had tremendous growth.

And that is why I am very interested in light rail. I am very interested in an improved bus system. I am very interested in what you heard earlier about bicycling or bicycle paths. I live, as you all know, in DC, as well as here. And I live out in the Virginia area, and those beautiful bicycle paths that follow the Potomac on into Washington. And I would like to adopt those for the Nashville area to bring about cooperation for the rural counties, as well as Nashville and work in concert to make great things happen.

I know we have been working recently on Amtrak, as a lot of you know, to have Amtrak service once again to the Nashville area and the possibility of a new route from Chicago to Jacksonville, Florida through Nashville through Chattanooga to Atlanta. And knowing full well that by 1996, Atlanta is going to have the Olympics and try to use that as a target date to bring about Amtrak railroad passenger service for our area that we once had. I know as a boy, I traveled on a train all the way from Nashville, Tennessee to L.A. and back, and I miss those days. And I used to be, as you all know, with the Public Service Commission. I was on the National Railroad Committee, and so, I am a railroad buff when it comes to rail service and rail passenger service. And we need to really look seriously at ways we can improve our mass transit system because that truly is the future and for the next century.

And Representative Davidson, I appreciate very much you participating in this panel.

Mr. DAVIDSON. Thank you, Congressman Clement. We appreciate you all being in Nashville today. Thank you.

Mr. CLEMENT. Thank you.

Next on the agenda is Mr. Peter Heidenreich. Peter is the Director of Public Works for the Metropolitan Government of Nashville and Davidson County, and he will testify on local infrastructure needs.

TESTIMONY OF PETER HEIDENREICH, DIRECTOR OF PUBLIC WORKS, METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Mr. HEIDENREICH. Chairman Anderson, Congressman Clement, Congressman Valentine, I appreciate the opportunity to come before you today. I certainly wish I had a dollar for every time the word "infrastructure" has been repeated in the last year. We may have a financial solution to the problem that faces us.

The Governor of Tennessee has announced that next month, there will an infrastructure conference for the State of Tennessee for managing environment quality. Infrastructure is indeed—and the problems that go with it—are indeed ubiquitous, and I think you will hear—you have already heard part of this day—the many problems that we have.

We have Federal mandates that are demanding clean air, clean land and clean water, safe transportation, among a variety of other things. They put tremendous financial demands at the local level. You know what the issues are, and competition for dollars is no less fierce at the local level than it is at the Federal level. The issue with infrastructure here in this metropolitan area and areas like it all across the country is that we have limited infrastructure dollars. The competition is indeed fierce, and we are beginning to experience the fact that we cannot perform in the manner that you, the Federal Government, would like us to or require us to and still be reasonable with the taxpayers in this area. They are all competing for the same dollar.

My suspicion is that as we have spent large portions of our local resources for transportation, roads and bridges, that dollar will shrink as we have requirements to spend it on cleaning up sewage, storm water, burying our garbage, recyling our garbage and doing other things that are absolutely imperative. Building prisons is part of our infrastructure. These are things that we cannot get away from. My point is that you need to be very conscious of that. And our ability to respond, participate or even share in current programs, I think, is severely limited.

I would urge you when you leave this building today to look two blocks to the southwest. You will see our tax dollars in action as a viaduct across the railroad is being rebuilt. That is an 80-20 match—80 percent from the Federal Bridge Replacement Program and 20 percent local dollars. That bridge is being replaced because of existing programs that work. I would urge you to look to the east as we cross the Cumberland River at the Jefferson Street Bridge, which will be completely replaced, hopefully, beginning next year, again, under the same program.

Now, those 20 percent contributions by the local government were there because we had the ability and the vision to set aside that money some years ago. If that program was not there either because we could not support the 20 percent or you the 80, these two gateways in and out of Nashville would be closed. We would be unable to provide safe, reasonable transportation corridors for the people who use this city.

Those, I think, are very real and dramatic and touchable projects that demonstrate the importance of the kind of relationships we have now. We cannot afford to go backwards one penny with those existing programs. And you will hear over and over again about other needs that go far beyond these basic maintenance functions which we are performing. I would urge you to look favorably upon not only having this bill remain in place, but to consider at all costs improving it and looking at areas, Congressmen, like you suggest ofrail, mass transit and alternative means of transportation which has to be a part of an overall plan.

Safety is my biggest concern. At the local level, I am responsible for the maintenance of the system—2,200 miles of roads, 264 off-system bridges. And when the phone rings at night, it concerns me that perhaps we have been unable to provide to the citizens of the community reasonable and safe pathways to drive on and to walk on. That concerns me a great deal. We have closed bridges in the past because the resources were not available. We face that same option in the future. And I think we owe it to ourselves to at least have a system that is reliable.

The local government here has taken initiatives which I think we are very proud of. In the last 8 years, 25 percent of those bridges that I mentioned have been replaced with local money. We have taken it upon ourselves to go into debt with general obligation bonds and meet those requirements. Fifty percent of our road systems, over 1,000 miles, has been resurfaced in the last 8 years. But our ability to provide that money in the future is severely damaged by the other infrastructure needs that are pounding on our door. And if we cannot find relief in other areas, I do think—believe—I do, indeed, believe that the kind of problems that we are going to face will jeopardize public safety. And I urge you to keep that in mind as you go through these hearings and how sensitive it is to the person at the local level.

The CHAIRMAN. Mr. Heidenreich, what do you think the Federal Government should be doing to assist local municipalities?

Mr. HEIDENREICH. It concerns me when we have regulations imposed on us—let us take for example the Clean Water Act, which was just promulgated about 14 days ago. We have a permitting process to get a permit that will cost the metropolitan government of Nashville over a half million dollars just to apply for the permit. The financial consequences of that application could range in the neighborhood of $15 to $20 million annually spent within this county to try and maintain and improve a system that deals with water quality for storm water only. This is not to mention the treating of our drinking water or the treating of our sewage.

Now, no one will argue that it is imperative that we be concerned about our water quality. But as these rules trickle down to the local level, only the rules come. There is no financial assistance. There is no help for us to help provide these services, which we all indeed believe are important.

Solid waste is another issue as we face demands and requirements to do certain things. Twenty-five percent of our waste stream should be recycled. I believe that is going to be very difficult without national legislation that addresses packaging issues that assists local governments and state governments in trying to cite facilities that can deal with the problem.

There is a great deal of frustration not because of the quality of what we are being asked to do, but the capability of us to fund those kind of things in a timely manner.

The CHAIRMAN. You mentioned a moment ago the problems of clean air and things like that and how much that costs, too.

And we will—we are going to continue to see local governments, local areas do certain things and possibly get laws passed statewide, federal wide and so on. But by the same token, we have to do something about it. I remember one of my toughest fights has always been trying to build a highway with clean air above it because when you bring automobiles in or whatever you bring in, you start polluting the air because an automobile pollutes the air. And so, we do have these kinds of problems. I just wanted to hear what you thought.

Mr. HEIDENREICH. The issues are very complex, and if we treat each of those issues which commingle very quickly as equals, then we need to provide equal resources to deal with them. And we cannot play favorites and say well today, air quality is more important than solid waste or because a bridge fell down, all of our resources suddenly are going to go to bridge maintenance and away from other important areas. The way to achieve this is going to be very painful. And it is going to cost a lot of money. And we need assistance at the local level to try and find those resources to implement those very important programs. And in all honesty, it gets a little lonely when you look up the stream and we feel that we are over-regulated and under-funded to try and deal with them.

The CHAIRMAN. You mentioned bridges. A couple—2 or 3 weeks ago, I had to go to New York where a man was driving his car with his wife under a bridge. As he was under the bridge, a big hunk of concrete about the size of an automobile fell down, crushed the car and killed them both. And I was called up there to show me that this is something that, again, is a brand-new issue. You know, there was a time, wherever we built a bridge, you knew when you poured concrete, you had to put steel in there. And of course, when you put steel in concrete, you have to paint that steel with a paint that can keep the problems—the water will get in there and rust it. In New York, they say that is how it rots the steel. I call it rust. But then, we found out that these people had painted it with a paint that would have been good, say, in Chicago. But because there is a different kind of moisture in New York, there is something in the moisture—I suppose when you talk about moisture, you are talking about the water that is in concrete. But, you are also talking about the rain and fog and everything else. There is a different kind of moisture than there is in Chicago. And even though they painted it with a paint that would have kept the rust—kept it out in Chicago, when they painted it in New York, it did not do. And apparently now, they have got a bunch of bridges that are in danger up there because of this problem.

It is something we are going to have to learn when we are building a bridge now, is to find out what is in the water and the moisture in that area when we—before we build a bridge. And know that New York is probably different than Chicago. Perhaps that is even different from something over here. Perhaps that is even a different type of paint than we use in California. But we are going to have to find that out somehow. And by the same token, we are still going to have—we sure do not want these bridges falling down killing people.

Mr. HEIDENREICH. I think you are absolutely right. I think the new standards and the new technology would have to be included in our pursuit of finding reasonable ways to do that. And I know we rely heavily on the—on DOT here in Tennessee to provide us with technical expertise in testing and bridge inspection, and they do quite a good job of supporting local governments in that respect. And I think that as we learn more about the physical qualities of the materials that we use and better ways to do it, we will be able to provide structures that last longer and provide more safety. That requires an investment in research and development and engineering, and that again costs money, but I think that would be money very wisely spent.

The CHAIRMAN. Mr. Clement.

Mr. CLEMENT. Thank you for elaborating on some of the issues. And as you know, we are going to have the highway reauthorization bill next year, and that is going to be a great debate. And I am going to surely need some input from you and many others about the direction that we move. I know I mentioned the bicycle paths awhile ago. Is that something that could be looked at seriously for Nashville? Is it a feasible option for us?

Mr. HEIDENREICH. You know, I do not think bicycle paths are a great deal different than corridors for any kind of mass transit. At issue is, I think, recognizing the fact that perhaps not today, but certainly tomorrow, we will have to reserve portions of our landscape to carry people in a different mode of transportation than we do today. And whether it is bicycles or light rail or both of them in the same corridor, the fact remains, we have probably done a poor job of going out and capturing that precious land in the proper places so that we can achieve that when it is absolutely essential. And I think that planning mode and that recognition of a coming problem is of primary importance. And it is probably almost too late now to begin, but every day that passes, we lose opportunities to capture corridors that will serve us in the future. And I think it is imperative that that search begin immediately.

Mr. CLEMENT. Well, as you know, a study came out not long about Tennessee being one of the most unhealthy states when it comes to people being overweight. So, I am looking for ways through the Public Works and Transportation Committee—now, Chairman Anderson is looking at me. I want him to know, I have lost 13 pounds since I have been in the United States Congress. I think it is because of where my office is located and how far I have to walk to vote. We cannot vote in our offices. We must be on the floor of the Capitol to vote. I guess after you get a little seniority you get closer and closer to the Capitol. I believe it works that way.

Any closing comments?

Mr. HEIDENREICH. I certainly appreciate the opportunity to appear before you and perhaps make a contribution. The local level is certainly where the rubber meets the road, and it provides a great deal of feedback and excitement. And hopefully, these comments have been helpful to you.

Mr. CLEMENT. Thank you.

The next to testify on infrastructure's impact on international competitiveness is Dr. Mark Abkowitz. Dr. Abkowitz is the Director of the Vanderbilt Engineering Center for Transportation Operations and Research and holds an appointment as Professor of Civil and Engineering—Environmental Engineering at Vanderbilt University. And Chairman Anderson and I were sure pleased to have the opportunity to participate at Vector earlier today at Vanderbilt University.

TESTIMONY OF MARK D. ABKOWITZ, PH.D., ADMINISTRATIVE DIRECTOR AND PROFESSOR OF CIVIL ENGINEERING, VANDERBILT UNIVERSITY

Dr. ABKOWITZ. Thank you, Congressman Clement. Mr. Chairman, you have me feeling a bit guilty here in that we did not serve a low calorie lunch. But, I hope you will excuse that, not knowing what your intentions were at the time.

I am here representing an organization that is affiliated with the University, and yet at the same time, our specific mission is to work very closely with government and industry on transportation issues. As a result of that, I believe that I can bring to this session today a broad perspective with no particular interest in representing one viewpoint or another. And in doing so, I believe that I would like to supplement my written testimony by focusing on two or three items that I believe to be critically important and should take the center stage for my time in front of you.

We believe that the problem of transportation infrastructure has been clearly defined. It is coming out through the dialogue that you are sponsoring, as well as from a number of other people who are involved in the transportation profession. There is no question that transportation is a major part of our economy. There is no question that we have an infrastructure deficit. And there is no question that this is damaging our international competitiveness. Therefore, it seems to me that what we need to focus on is not so much the problem, but the solution.

Now, you have many people who have been participating in this process who are far more expert than I on the needs in the construction area and the financing area. I would like to reserve my comments to talk more about what the international picture looks like and how our competition in other countries are able to achieve the kinds of successes that have drawn our concern. I think the focus on all of that is to look at the process. If you look at the Japanese or the West Germans or some of the other countries that are investing more in the infrastructure or moving more readily in terms of measured success with productivity gains, they are really looking at the process. And when we think about the process and we try to translate it back into how we can perhaps improve the way in which we can go about transportation infrastructure management and rehabilitation, there are three things that come to mind, in my opinion.

The first one is management. We have to be cognizant of the fact that transportation is a management problem. And as a management problem, we have to look at it from the standpoint of not just new construction, but how do we manage what we already have as effectively as possible? Mr. Chairman, at lunch today and in published remarks that I have read of yours before, I think you were able to enumerate just how large the infrastructure deficit is. We are talking about hundreds of billions of dollars. I think it would be unrealistic of us to assume that new construction or construction techniques alone are going to be able to solve this problem given the major resources involved. So what I am here to advocate is that we look at this from a broader perspective and we look at construction, perhaps, as a technique of last resort and we look at some of the new technologies that are available from the management standpoint and we blend those technologies with the construction side. So we come up with the most cost-effective use of our resources.

The communications technology that is available today, advances in computing, and a number of other things related to this in terms of geographic mapping give us an opportunity which I believe is unsurpassed in terms of recent history to start making major advances in that area.

The second major element that I would like to stress today is the process of partnerships. If you look at some of the other countries which we consider to be our economic peers, they are very successful in managing partnerships between academia, government and industry so that we are able to bring—or they are able to bring to the table resources and a collective wisdom that is able to take the parts and make them greater than the whole. They have the entrepreneurial aspects folded in with the resources, folded in with the policy. And as a result of that, they have been able to achieve major gains at a time where in the United States, I believe more often than not, we see the same groups working on parallel streams.

The final point that I would like to make is the process that is involved in strategic planning. I think there is no question that we need to devote greater attention and resources to transportation and its infrastructure. What concerns me to some extent is how we implement that. And the strategic planning process is something that has been very successfully achieved in other countries whereby the long-term planning and the actions that are developed to support that long-term planning are done on a basis that involves a large sector of the business, government and local community. And in many cases, this means not transportation professionals interacting with transportation professionals. We need to have a broad-based input to this process whereby people in the real estate industry, people in education, the environment, transportation and other impacted sectors can all sit down together to look at their objectives and to look at how they can help each other out to achieve a common good.

So, I believe that the process is something that we need to consider, in addition to the resources and the specific investments that we are looking at in the future. And I hope that we can work out a policy that is able to effectuate that. Thank you.

[The prepared statement of Dr. Abkowitz appears on p. 2303.]

The CHAIRMAN. Dr. Abkowitz, during hearings earlier this year, we received testimony from economists—Dr. Aschauer for one—which tied the drop in public spending for infrastructure to the drop in the United States productivity growth rate. And that this could cause serious problems with our international competitiveness and chronic trade deficits. And with that in mind, if we were to craft a national infrastructure program or policy, what practice do you think we should consider to aid in promoting economic growth, productivity and international competitiveness?

Dr. ABKOWITZ. Well, Mr. Chairman, first, I would like to second the viewpoint that you just expressed. I think there are statistics that are starting to emerge which demonstrate this. For example, the United States, I believe is 55th in recent statistics measuring productivity gain, and that is certainly not a position that we are comfortable with or that we are used to being in.

The CHAIRMAN. That is awful. I remember when I was growing up, we always thought the United States should always be, you know, first or second or third or fourth. But to think that we are 55th, it is almost—that is almost at the bottom, it is terrible.

Dr. ABKOWITZ. Well, I concur, and I think the question is, how do we get back on our feet and get back into a position that we are used to being in. As I mentioned before, I think it is a multi-faceted approach. We have to look at technology, particularly the communications environment. Decisions that are being made related to manufacturing and distribution are being made with regard to the international playing field. It is no longer a question of the domestic economy here in middle Tennessee or even in the United States as a whole. So we need to start thinking in terms of trade patterns, what the typical trade patterns are in the world. I think we are all well aware that Pacific rim activity, as well as activity in the European community, is going to change and that is going to have a top-down effect on the way in which we want to position ourselves. We have to look at technology related to those trade patterns. We have to look at education.

For example, we are retiring a work force that has been trained to build because of the major capital campaigns that we had in the 1950s and 1960s. We need to retrain people in the work force now and we have to train a whole new generation of transportation professionals that focuses on managing and being able to grasp at the initiatives that are in place now for the betterment of our country.

The CHAIRMAN. Bob.

Mr. CLEMENT. Doctor, I wish you would expand on what you mean when you talk about strategic planning as a mechanism for stimulating economic activity.

Dr. ABKOWITZ. Okay. I would like to do that. Thank you. In fact, I would like to use as an example some of the activities that we are embarking on here in the greater Nashville/middle Tennessee area. When you look at the new playing field—if you want to call it that—we have to start thinking about how middle Tennessee or any other economic region can provide an attractive infrastructure to business and residential life. And when you think in those terms, you have to start looking at how the rail and barge and air and water transportation, as well as personal transportation, come together to provide a complete portfolio of positive service for the area.

In the past, I think here in the United, States, we have been too concerned about competition, for example, between modes. And it has always been a case of my barge company versus your railroad versus your truck. I think we need to depart from that. We need to start thinking about the different organizations that serve this area and to what extent they can offer a portfolio of services to make this area more attractive than some other area.

So the concept behind strategic planning is that we start in the infancy of this process and bring together a lot of different interest groups that all have a stake in the transportation arena and get them to try and be candid in expressing their needs, their concerns, their weaknesses, their strengths and try and put these together on the table in order to put together a blend of future plans that really meets everyone's needs and is formed by essentially getting everyone's resources and commitments behind the same mission, rather than everyone focusing on their own little empire.

Mr. CLEMENT. What do you think about telecommuting? I know more and more people are utilizing that term about operating from home and conserving energy. Is that going to happen, or what do you think will happen?

Dr. ABKOWITZ. I think telecommuting is an interesting idea, and I think it is one that obviously whose time has come if we choose to implement it on a broad base. The technology is there. Those people who have been involved in telecommuting as a technology and have implemented it in places have found that it is very beneficial for certain things. When you have business meetings or things of that nature or meetings that are not absolutely necessary, but useful, it serves that purpose. But it has really fallen well below what most people's expectations are and I think that is because there is just no substitute for face-to-face interaction, as well as—the expression I have heard for people in the personal needs side—there is just no substitute when you go to the grocery store of squeezing the apple or feeling the grapefruit. You just do not want to order those things by telecommuting.

Mr. CLEMENT. Thank you very much, Dr. Abkowitz.

Dr. ABKOWITZ. Thank you.

Mr. CLEMENT. Next, we will hear from three witnesses on highway issues. On the agenda is Mr. Ron Gant, President of the Tennessee Trucking Association; Mr. Brad Miller, Executive Vice President of the Tennessee Road Builders Association; and Mr. Wesley Ball, President and CEO of the Tennessee Grocers' Association and a member of the Tennessee Highway Users Association.

We will start with Mr. Ron Gant.

TESTIMONY OF RON E. GANT, PRESIDENT, TENNESSEE TRUCKING ASSOCIATION; BRADFORD MILLER, EXECUTIVE VICE PRESIDENT, TENNESSEE ROAD BUILDERS ASSOCIATION; WESLEY A. BALL, SPOKESPERSON, TENNESSEE HIGHWAY USERS CONFERENCE

Mr. GANT. Chairman Anderson, Congressman Clement. The Tennessee Trucking Association appreciates this opportunity to appear before you this afternoon. The subject of today's hearing, the nation's—and more explicitly, Tennessee's—infrastructure needs is one of the more paramount issues in the trucking industry, but even more fundamentally to our nation, its people and our way of life.

The economic health of Tennessee is vitally linked to trucking. A quick view of some of the facts concerning the industry in Tennessee will underline trucking's prominent role in Tennessee's economy. According to the 1988 data, the industry employed more than 150,000 people in Tennessee. Had a payroll in excess of $2.8 billion. Served all of Tennessee's populated communities, 75 percent of which had no other commercial transportation. Had a growth of some 15,000 jobs from 1985 to 1987. Paid over $500 million in state and federal highway user taxes—nearly $10 million a week. And while heavy trucks constitute only 1.4 percent of all the vehicles registered in our state, they paid 38.9 percent of all highway user taxes. Heavy trucks paid 45 times the state and federal taxes paid by the average car in our state. And trucks hauled over 70 percent of the manufactured goods into and out of Tennessee.

Our nation, and more specifically, Tennessee has been well served by the Federal Aid Highway Program which has provided for the development of our national highway system. Keeping in mind Tennessee's location within one day's drive of 70 percent of the nation's population, we have become a distribution center that has greatly benefited from the interstate and federal highway system. In addition, Tennessee has undertaken an aggressive road program to ensure access to and from the interstate system for all Tennesseans. This has been addressed earlier today.

Yet, with all of the system development undertaken, we do not today have the plan in place to meet our highway infrastructure needs into the 21st century. The new federal highway program to be addressed in 1991 by the Congress must use as its foundation the national system of interstate and defense highways and major primary highways of significance. This system must be complemented with arterial routes for access.

This new system of highways, referred as the Highways of National Significance, must be upgraded in design and construction to carry the increased volume of traffic, including a major portion of the commercial traffic in Tennessee and our nation. In addition, there must be continuing federal support for those routes not on the national system, as these routes often are the originating and terminating routes for many shipments which will use the national system ultimately.

Of major concern to Tennessee trucking firms has been the policy of building balances in the highway trust fund for federal budget deficit reduction purposes. This policy has ensured that we have neglected necessary new road projects and have failed to maximize our maintenance of the existing system. We must not continue a policy of collecting a user fee for a specific purpose and then fail to expend it for the purpose for which it is collected when there is demonstrated need. It is the position of the Tennessee Trucking Association that the trust fund should be spent down. That the 2.5-cent deficit reduction fuel/gasoline tax be returned to the trust fund in 1995. Only then will the concept of a user fee be restored. And while we are at it, under the user fee concept, why not abolish the current exemptions for gasohol. Users are users, regardless of the type of fuel. And all gasohol users should financially support our highway system's development and maintenance at the same level as fossil fuel users currently do.

Also at focus here is the increasing pressure to divert user fee and trust fund dollars for non-highway purposes. This, once again, attacks the fabric of the user fee concept and is one to which we as an association and industry are opposed. We must first see the financing mechanism that has built our road system not become used for other purposes, regardless of worthiness, prior to increasing taxes.

And where does the Tennessee Trucking Association stand on the issue of increased fuel taxes next year with highway reauthorization? Until the current trust fund balance is drawn down and the aforementioned 2.5 cents is returned to the trust fund, the membership remains steadfastly opposed to any fuel/gasoline tax increase.

The Tennessee Trucking Association is concerned about the most cost-effective application of highway tax dollars. In this vein, we would suggest that increased attention can be given to the studies which indicate a disproportionate increase in the life expectancy of highways with thicker pavements. The American Association of State and Highway Transportation Officials reports that one additional inch of concrete pavement doubles the strength of the pavement and the life expectancy as well. Yet, the cost of that one inch adds only four percent to the construction cost and less than one percent to the total project costs of a rural interstate highway.

Carrying pavement thicknesses to 14 inches from the traditional ten will yield eight times the durability, while adding only two percent or less to the total construction costs. Why not use this technology to increase the long-term value of the highway user tax dollar which we in the industry like to view as a capital investment not unlike many others which we make.

The subject of increased truck productivity is one that is receiving intensified attention as the highway reauthorization deadline approaches. The Tennessee Trucking Association believes that there are two productivity elements which merit serious consideration. Both are part of the report to Congress earlier this year by the Transportation Research Board. Those items are the allowance of states to permit weights above the current 80,000 pound threshold with permit fees commensurate with the additional associated costs; and a liberalization of the federal bridge formula to benefit trucks with shorter wheel bases.

A secondary development from these two recommendations would be the probable addition of axles on the traditional five-axle tractor/semi-trailer combination vehicle, which would result in increased productivity without changing current axle limits. The positive impact upon costs and the environment would be substantial.

There is one other topic of major importance that we must not—that must not be ignored as we plan for the future. The safety on our nation's highways, especially in commercial vehicles, has increases substantially in the past ten years. Fatality rates have declined significantly. The federal/state commercial safety enforcement program, known as the Motor Carrier Safety Assistance Program, is a major factor and must receive additional funding for inspectors and training. In addition, increased commitment to research on safety design factors and driver performance will pay dividends not only to the trucking industry, but also to the general motoring public as well.

In conclusion, the Tennessee Trucking Association believes that deliberate consideration of all of the objective factors on the issue must be the foundation of the Highway Reauthorization Act of 1991. A strong national highway system funded primarily on the federal level without shifting responsibility to state and local governments is in the best interest of transportation in this state and nation. When one takes the broader view that our economy is certainly transportation dependent and international in scope, the dynamics increase, but so should the commitment for practical solutions. We commend the House Committee on Public Works and Transportation for coming to Nashville and seeking Tennessee's view on this very important topic for the Congress of 1991.

Mr. CLEMENT. Thank you, Mr. Gant.

Next would be Mr. Brad Miller, Executive Vice President, Tennessee Road Builders Association.

[The prepared statement of Mr. Gant appears on p. 2321.]

Mr. MILLER. Mr. Chairman, Congressman Clement. I am pleased to present testimony today before the House Committee on Public Works and Transportation on the status of this country's infrastructure and particularly its transportation system.

I am here on behalf of the members of the Tennessee Road Builders Association and its national affiliate, the American Road and Transportation Builders Association, to lay before the committee the problems with our transportation infrastructure and what it will mean if, as a nation, we fail to correct the deterioration in our highways and bridges and streets.

We know a problem exists. The Federal Highway Administration in its 1989 Conditions and Performance Report to Congress stated that a federal highway program of $40 billion per year was necessary to correct the deterioration of our highways. In its survey of priority issues, the National Conference of State Legislatures ranks roads and highway construction and improvement as the third issue behind tourism and agricultural environment, neither of which can prosper and grow without a sound transportation system.

At the outset, I will say that we believe that the financial decisions that the U.S. Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future. But first, we must ensure that the federal highway users' fees are not raised for non-transportation purposes, including to help balance the federal budget. The highway trust fund, along with the federal gasoline and diesel excise tax, was established to solely fund the construction and repair of our highway and bridge system. Diverting these funds would severely impact the ability of federal and state governments to meet identified infrastructure needs.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the federal and state governments, has had more to do with our quality of life and economic prosperity than any other single factor.

The efficiency of our highway system also has a direct effect on productivity. It is a documented fact that countries that sustain a high level of public investment relative to output experience highway productivity growth.

During the past two decades, Japan has invested about five percent of its output in public works and achieved an annual productivity growth of over three percent. The West German experience is similar.

The United States, meanwhile, has maintained a low public investment ratio of three-tenths of a percent and an inferior productivity growth just six-tenths of a percent per year. The fact is, the United States ranks 55th—I think as the Chairman brought forth awhile ago—in the world in public capital investment. To me, this is a national embarrassment. It is also a sure prescription for economic decline.

Everywhere you look, nations that want to be a major player in the global marketplace have been investing heavily in surface transportation improvements: Germany, Japan, Hong Kong, Korea, China, Spain and so forth.

Today, America's federal highway system—the backbone of our national economy—is in serious trouble. While this network of highways and bridges comprises only 22 percent of the nation's total road mileage, it carries 81 percent of all the travel and more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal aid system are either structurally deficient or functionally obsolete. The same report states that more than 40 percent of the pavements on the federal aid system are in poor or fair condition.

In 1989—this 1989 report and the Federal Highway Administration's 1988 publication, "America's Challenge for Highway Transportation in the 21st Century," both state that meeting existing capital needs on the federal aid system alone requires a $40 billion per year investment in transportation construction projects—a rate of spending substantially in excess of the current obligation for the Federal Aid Highway Program.

Meeting these qualified needs on the federal aid system is one of the major financial challenges facing the nation. Failure to provide an adequate and usable highway system will have a profound effect on the quality of American life, our economic growth and development, and our ability to meet the national defense requirements.

The Federal Aid Highway Program has been a driving force behind building a better America. The reauthorization of this federal program should foster continued opportunities for growth and development.

If the program's reauthorization legislation does not address known needs in a meaningful way, the deterioration of our Federal Aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

Americans continue to commute by private automobile. Such travel is up 17 percent since 1960 and contributes to significant rush hour congestion on 65 percent of urban interstate system mileage. The outlook for the future is not good. Traffic is projected to grow by two to four percent per year in the next decade ahead.

According to federal statistics, the nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuel due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995, the U.S. economy could potentially miss out on increases of 3.2 percent of gross national product, 5.9 percent of disposable income, 2.2 percent of employment and 2.7 percent in manufacturing productivity.

Disinvestment causes much of our current problem. Total public capital expenditures for highways and bridges has dropped from 1.4 percent of gross national product in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal Aid Highway System has increased five-fold.

Inflation has also been a hidden factor. Between 1959 and 1988, the U.S. inflation rate, measured by the Consumer Price Index, rose slightly over 300 percent. The highway user fees supporting the highway trust fund and paying for highway improvements increased by only 100 percent.

Assuming a moderate future inflation rate of four percent per year, the federal gasoline user fee would have to increase to 26 cents per gallon by the year 2000 just to maintain its 1959 purchasing power.

What should be done? The solution to our highway problem is obvious. We must begin investing in the future. Providing adequate resources is the key.

One alternate is to spend the current cash balance in the highway account of the highway trust fund to address the call for greater highway improvement expenditures. But how far will that $10 billion balance go?

An examination of the language of the Highway Revenue Act authorizing the highway trust fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available—between $5 to $8 billion—will not significantly increase the current program.

Apogee Research, a leading public works consulting firm based in Washington, has developed a computer model for ARTBA which allows a review of possible program funding scenarios and their effect of the trust fund balance and program spent out.

The American Road and Transportation Builders Association believes a federal reauthorization package providing $40 billion per year for highway and bridge improvements is what is needed. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry out a program of this magnitude would require ensuring that all federal highway user fee revenue contributed to the highway trust fund, plus interest earned on that money, is spent in a timely manner. A draw-down in the trust fund's current $10 billion plus cash balance is part of this plan. Removing the Federal Aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future. Increasing the federal highway user fees to raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance. No longer imposing artificial obligation ceilings on the expenditure of federal highway funds. Repealing the current six cents per gallon federal tax exemption on gasohol sales for highway vehicle usage, which causes an estimated $500 million per year loss to the highway trust fund. And tightening the federal highway motor fuels collection procedures.

Such actions would assure that future generations have a highway system on which they can build. The historic role of the Federal Government in the development and upkeep of a national highway network should be maintained.

Relatively, David Alan Aschauer, a senior economist with the Federal Reserve Bank of Chicago, and Richard Mudge, the former head of the Congressional Budget Office's Public Investment Unit, quantified the long-term national economic impacts on ARTBA's proposed program. Their findings are dramatic.

By the year 2012, national productivity would be 7.7 percent higher, resulting in an additional $400 billion per year in gross national product. The expected productivity gain would generate an additional $29 billion per year in corporate profits and a $35 billion annual increase in private investment. This is an excellent return on your investment.

There is no question that the Federal Government has a clear role to play in the development and upkeep of a national system of highways and bridges. The federal responsibility is defined by the Constitutional mandates that regulate commerce among the states and other nation—and with other nations, provide for the national defense and safeguard the public health.

America is literally at a crossroads. We can continue to ignore our serious and growing highway and bridge problem. Or, we can choose to invest about $40 billion annually that is necessary to rebuild and expand our national highway network to meet current and future demand.

Good roads save lives, improve productivity and enhance competitiveness. In short, it is an investment in the future.

I would like also to mention that we support the recommendations of the Transportation Research Board Special Report 225, especially the one that recommends adoption of the TTI HS-20 Bridge B Formula. This TTI HS-20 Bridge Formula up to 80,000 pounds gross vehicle load considers HS bridges—HS vehicles only and does not have the H-15 restriction as in the present formula. This is proper since hardly any H-15 bridges exist on the interstate any more. From 80,000 pounds up, the present Formula B would be retained. This scenario is expected to produce shipper savings of $5.48 billion annually and have minimal cost impacts. There would be a net reduction in pavement costs of $10 million and an increase of $900 million in bridge costs per year. This presumes that all bridges with a load capacity of less than this formula will be replaced. In actuality, most will be posted or strengthened, which would reduce the annual cost significantly. This formula would provide considerable relief to short wheel base natural resource haulers.

I thank you for allowing me to testify before the Committee and at the proper time, would be glad to answer any questions.

Mr. CLEMENT. Thank you, Mr. Miller. And I would might say to all—because that was an excellent testimony—but, in order for everyone to be heard, the witnesses—we are going to incorporate all the testimony into the record as if read. And what we can do from now on—starting now—Mr. Ball, if you so desire, you can read your statement or for you or any of the others, we can incorporate your statement in the record as it is read. But I assure everyone, as you can tell, it will all be transcribed and be shared with the other members of the Public Works and Transportation Committee. That is correct, is it not, Chairman Anderson?

All right. The next witness is Mr. Wesley A. Ball, Spokesperson for the Tennessee Highway Users Conference.

[The prepared statement for Mr. Miller appears on p. 2442.]

Mr. BALL. Thank you, Mr. Chairman. Thank you, Congressman Clement. I am Wes Ball, President of the Tennessee Grocers Association and a member of the Highway Users Association. And I am here to present a prepared testimony for the Highway Users Conference.

The Highway Users Conference is a statewide non-profit organization consisting of various groups—hotel, motel, auto clubs, farm groups and other people interested in maintaining a excellent highway system, with particular interest to roadway drivers, as well as vehicles and energy.

We commend you for being here and appreciate and would like to welcome you, along with the 43 million other travelers who come here each year, depositing along the way four million dollars annually with us. There is a direct linkage in that eighty-one percent of those people came by the highway.

The Highway Users support the development and designation of the highway scenic byway systems. In 1982, our state designated 2,300 miles of Tennessee Parkway, and we feel that this system could be best used by integrating it with the national system so it can be designated, promoted and standardized. This would help the hundreds of small towns along these areas to benefit from tourism, as 17 percent of our highway mileage is for the purpose of tourism.

Our highways are important to carry our workers to our plants and our products to our locations.

Forty percent of our bridges are deficient in Tennessee. Three hundred highways are identified as needing major improvements in the next 15 years. We are looking at an expenditure in excess of $10 billion necessary by the year 2000.

The infrastructure needs of Tennessee is to assure funding sources. The user pay-as-you-go provides us with a highway system that is the envy of many. We need the user fee left in place without diversion measures as passed recently by the Congress where the motor fuel tax was used for budget.

We urge that the $17 billion balance in the highway trust funds be accelerated in dealing with problems that exist today.

Congestion, bad roads, poor traffic control and management increase traffic accidents and the cost of transportation. Our state experienced 1088 traffic fatalities in 1988—2.2 per 100 million motor miles, below the 2.3 nationwide average. But with the increase of four percent nationally in transportation, the death toll by the year 2000 could easily reach 80,000 people. We are committed to working with getting the rate nationally and in Tennessee down to 1.5 per 100 million miles.

We appreciate your being here and certainly urge that the 1982 Highway Program for—that must be passed by September 30, 1991 be passed quickly so that we might have an orderly development of our transportation system.

That ends the coalition. I would like to share one thing with you as a person who uses lots of transportation and pays lots of dollars. I investigate costs of operation, and as such, offer a little editorial. And in my November editorial, I would like to read as follows:

"Think about it. The average cost of a gallon of gas in 1973 was 39.3 cents. In November of 1990, it was $1.369. That is a 348 percent increase. With the additional five cent gas tax December 1, Tennessee will have a total gas tax of 35.5—that is 14.1 federal, 21.4 for Tennessee—up from eight cents—four federal, four state of Tennessee—in 1973. That is a 323 percent increase in the cost of fuel and a 444 percent increase in the cost of tax. With 375,000 troops in Saudi Arabia to staff Operation Desert Shield, is it possible we are watching the wrong people?" [Laughter.]

"The function of the cost of tax to a gallon of gas has gone from almost exactly 20 percent in 1973 to at today's price as I drove in, 37-plus percent today. Folks think we are whipping up on them."

I have that information for the Committee if they care for it. I appreciate your indulgence.

[The prepared statement of Mr. Ball appears on p. 2310.]

The **Chairman**. It will be in the record. And Mr. Gant, Mr. Miller and Mr. Ball, I would like to thank all three of you for your statements. I do have one question. And you are aware, I know, that our highway bill and the current highway policies expire this coming—just a few months ahead of this coming year. And so, we are holding hearings. We are meeting back there now trying to redraft the new bill to pass so that it will be in effect when the current one expires. Now, as we consider reauthorization of the surface transportation program, what issue do you feel is most important from your perspective? Does anyone want to—Mr. Miller, you have got your hand up.

Mr. **Miller**. I will be glad to. The issue we think is most important as you consider the 1991—and get ready for the 1991 highway bill is to consider the deterioration of both our highways and our bridges and hope that you can persuade the entire Congress the importance of funding a three trillion dollar infrastructure system across this nation and that you will in some way get enough funding in the act to try to fund $25 billion in additional funds for the highway system each year out of the trust fund. Short of that, we hope that you will look to the future and possibly get as much funding as you think the good Congressmen in Washington can stand and still go home, in order to keep our infrastructure up.

I have been responsible, I guess, for helping to pass four different gas taxes in this state since 1982. Each time, those that were supportive of our tax and the program have received accolades from their constituents back home.

I will relate a very short story. I know we are pressed for time. But there was one particular legislator here that did not support the program. He went home that night and got several calls thanking him for passing a gas tax so that they could repair the roads. I said, "Well, Mr. Representative, what did you tell those people?" knowing that he voted against it. I was able to count votes pretty good. And he said, "I told them the legislature in all its wisdom was able to fund a good road program for the state and we were happy that they were glad to have such a system." So, I hope that in the act that you can make some arrangements for increased funding for our highway program.

The CHAIRMAN. Mr. Clement.

Mr. CLEMENT. I will try to keep this brief, but I know the comment was made awhile ago about the trust fund. It should be drawn down and maybe eliminated and the revenue funneled to the states through revolving loan funds or block grants, is that my understanding, Ron Gant?

Mr. GANT. That was not—that portion of it was not expressly in our presentation, Congressman. I think without question, we are——

Mr. CLEMENT. I understand that, but I mean if it is drawn down——

Mr. GANT. Absolutely.

Mr. CLEMENT [continuing]. What do you expect thereafter?

Mr. GANT. I think in that situation—you know, we in Tennessee, as you well know, are a conservative state and we have had a pay-as-you-go type program in this state in road construction over the years. Actually, I think greatly enhanced by your father some years ago. Realistically, what I think we have got to do is—and Mr. Miller alluded to it to some degree—I do not think you will find that this industry is going to object to increased funding and increased taxes as long as there is that direct return because, in fact, productivity is going to be increased not only for us in this industry, but nationwide. But, the commitment has got to be that we are going to return to a user fee concept and not utilize the highway tax dollar as a mechanism for other undertakings within the Federal Government.

Mr. BALL. It appears at the moment that there is a sufficient amount of revenue being generated to carry the system forward for the next six to seven years. I do not think a rate adjustment is what is needed. I think an acceleration of the expenditure of that which is coming in and not using it to offset budget deficits, but to use it for what it was, in fact, clearly collected for and intended to be used for——

Mr. CLEMENT. So, these billions of dollars being collected, it should be drawn down more expeditiously at a more rapid rate.

Mr. **Ball**. That would help.

Mr. **Clement**. Let me ask you, too, also about the triple trailers. I know in Tennessee, we have the double bottom trailers. Now, people are talking about the triple trailers. Maybe they got the quadruple in the state of California where Chairman Anderson is. I am not sure, but what about the triple trailers? What is the future for that, and do you support it?

Mr. **Gant**. I think there are probably two issues there. First of all, I do not envision any time in the near future that the industry in Tennessee would necessarily undertake approval of triples in Tennessee. I think at the same time, we have to be realistic that Tennessee is not an island. And by virtue of that, we have got to be aware of what is transpiring in adjacent states. Triples are only one state away in Tennessee, Arkansas being the buffer state at this point in time. We need to be able to be responsive in Tennessee. The safety record for triples operation nationwide, especially out west, is incredible. We do not think that safety is a factor. I think that one of the key things that I would see there is that it is important that Congress not mandate to the states the authorization of triples. But it is also important that Congress not prohibit states from making that decision. Those states that currently do not authorize triples for operation in the future.

Mr. **Clement**. Well, thank this panel. Thank you very much.

Mr. **Miller**. Let me point out one thing, Senator. I just cannot pass this up.

Mr. **Clement**. Oh, he has promoted me to Senator.

Mr. **Miller**. The average driver a year—just one second. The average driver in this country will use approximately 500 gallons a year. That will carry him about 10,000 miles. Then, you can multiply it up if he wants to go 20,000. At a 35 cent tax on that 500 gallons, you are talking about $175 that the average driver is paying for a year to maintain good highways in the state of—in this country.

The **Chairman**. Just a comment, I think you all—all three of you are probably aware that in California where I come from, we do support the fact that the—it should be the Federal Government that should be doing this whole highway, bridge—the whole infrastructure problem. But in addition to that—and if I remember right, the Trucking Association, the Road Builders and the Highway Users are all part of this—they did decide out there that in addition to what the Federal Government did, we should have some money out there to maybe help stimulate—or whatever it would be—I know they passed and put this to a vote of the people and it was carried overwhelmingly—they added an additional nine cents tax just to keep—what the Federal Government does to even make it move along and I guess to match it—get where we have to match federal funds. And I think all of you people are also part of that, at least your local state branch of this particular association you represent.

Mr. **Miller**. Yes, sir. We are using the first part of our gas tax, up to the last two that we passed, were for matching funds, along with most federal programs. And then, trying to take care of primaries and secondaries. The last two taxes that we passed here went 100 percent for state highway systems. Not any of that money went on federal highways. And we are trying to carry our load, and we need some help from the Federal Government to maintain federal highways.

Mr. **Clement**. Thank you all.

The **Chairman**. Thank you.

Mr. **Clement**. Next on the agenda is Mr. Dan Lane, Chairman of the Board of the Metro Transit Authority. Dan Lane is the owner and principal broker of ABL Realty Services and currently serves as the Chairman of the Board of the Metro Transit Authority. Dan will testify on urban mass transit issues. It is a pleasure to have you here, Mr. Lane.

TESTIMONY OF DAN LANE, CHAIRMAN OF THE BOARD, METRO TRANSIT AUTHORITY

Mr. **Lane**. Thank you. Chairman Anderson, Representative Clement. Thank you for the opportunity to define what I see as the prospects of transit in the federal reauthorization of surface transportation.

Before I get into the report, I have decided I would not read it. A good friend of mine, Councilman Fincher said, "If you read all that, I am going to cut your budget." So, I am going to take his suggestion and not read it. But I would like to summarize what I think are some key features of the presentation.

Our surface transportation, I think, has been sort of defined over the past 30 years when we look at the interstate system that we have here. Likewise, I think in middle Tennessee, we have seen our economy, our population and our growth more than double. And it is predicted, based on recent studies—one in particular that we are having done—that employment, the economy and the population will probably double again in the next 20 to 30 years.

Now, our position is no matter how much investment we put in building roads, we cannot keep up and get the dollar value from building roads that we have gotten in the past. So, we have to look at other means. And we offer a different approach. And we say transportation should be looked at in terms of mobility, which requires a comprehensive approach, which depends more on just pouring concrete or building railways.

We think it should include more freeways—yes, we do need more roadways. We need transit ways also. We need more rail lines. We need more high capacity vehicles on the road. We need smarter roadways. And we also need to look in terms of how we design our cities and place more emphasis on design for pedestrian movement. And also on our urban design and planning system to be able to bring people and functions together.

Just—I want to quote one thing. Andrew Kimbrell of the Foundation of Economic Trends states,

> In the United States alone, we could save 33 million gallons of gasoline every day and significantly reduce air pollution if the average commuter passenger load were increased by one person.

Very simply. If we can get one person to stop driving and ride with someone else, you can look at the benefit. So, we have to look at new direction and look at the problem from a total perspective and learn from the past and plan better for the future.

San Francisco. And oftentimes, people—public transit providers, many times, I think find themselves on the defense having to defend the subsidies. And the typical consumer tends to think that the gas tax is used to build roads and that we do not publicly subsidize the highway system. But, I think we do. We build more freeways. We cause more congestion. We raise the tax to build more freeways. So, we are investing public funds and subsidizing our highway system.

Now, in San Francisco, in looking at the whole issue—and we have to consider the issue of our quality of life, the environment that we live in, the air quality that we breathe—it was proposed by some private sector leaders that we look at some type of pollution tax. Now, if we inject some market flexibility into the issue, some people probably will opt for that type of a tax. Others will probably say, "I will not drive. I will stop driving and do ride sharing." Others will probably say, "Well, what can we do to increase the technological advancement in pollution control?" But I think we have to look at some of the negative aspects of pollution, particularly pollution from the automobile, and try to devise some ways that we can tax that. And we are recommending that you look at a tax on pollution from a national level.

The other thing, I think, is often during the time of an energy crisis, I think this nation begins to look at basic transportation facts. We are recommending—and also in the past two crises that we have gone through—once the crisis is over, there seems to be less of a political compulsion to do rational planning for our energy and transportation in this country. And we are recommending that we do it on a more rational, long-term approach. We need to look at and influence designing our cities so that we concentrate more on moving people, rather than moving vehicles.

If you compare certain cities, you know, like Los Angeles and Houston, which are considered modern cities that was built around the automobile, with cities like even New York, Boston, Chicago, you can see a significant difference in terms of the consumption per capita and the amount of pollution per capita. If we look at some of the old world country cities, Vienna, Zurich, Berlin, which was large concentration built before the availability of the automobile, we see even less consumption and pollution per capita. So, we have to look at, as we rebuild our infrastructure, to look at planning and look at the impact on people. And we have to look at a balanced approach in terms of how we move people and look at it as a problem of mobility, rather than building more freeways.

With that, I will end. Thank you, and we are happy to have you here in Nashville.

[The prepared statement of Mr. Lane appears on p. 2329.]

The **CHAIRMAN**. Mr. Lane, thank you for your statement. Now, we all know that with the new realities of energy and economy and transportation, that greater than ever demands have also been placed on our Nation's public transit system. Now, if you had to single out the major issue facing the future of transit in the United States, what would that be and what role should the Federal Government play?

Mr. **LANE**. I think the most critical issue facing transit is one of perception. We like to think that the users should totally pay the bill for public transit. I think that at the federal level, we need to make public transit and infrastructure and fund it, and I think we will see the results—the beneficial results.

The CHAIRMAN. Mr. Clement.

Mr. CLEMENT. What about land planning to get people to use mass transit?

Mr. LANE. Well, I think——

Mr. CLEMENT. Is that a feasible option?

Mr. LANE. Yeah. I think from a local and state planning process, and even from a regional process, we have to bring all the elements together as the doctor from Vanderbilt was indicating to be able to maximize mobility—both goods and people—that we have to look at land use planning as it relates to our transit system. No question about it. And we have to evaluate any development in terms of impact of the transportation system that we currently have and that we would like to have. Because all of it—I think, if we are not serious, a few years from now, we will learn about more negative impact in terms of our quality of life in terms of pollution and air quality that we breathe. So, we have to bring it all together.

Mr. CLEMENT. Well, I tell you what. This issue of mass transit, you and me and many others here in the Nashville and Greater Nashville area sure need to spend a lot of time on it and bring the contiguous counties into it as well and have a coordinated effort because this is, in my opinion, critically important for all of us in the future. And, you know, a lot of people do not see the purpose for mass transit or they want someone else to use it, and they do not want to use it themselves. But we have sure got to be more creative and innovative in the future than we have been in the past when it relates to mass transit and give it some dignity.

Thank you very much, Mr. Lane. We appreciate it.

The next group that I would like to come forward, I know you thought it would never get to be your time, Mr. Mathews. Robert Mathews, Chairman of Metropolitan Nashville Airport Authority. I would like also General Moore, President of the Metropolitan Nashville Airport Authority. As well as Mr. Les Sutton, President of Ingram Barge Company.

Chairman Mathews.

TESTIMONY OF ROBERT C.H. MATHEWS, JR., CHAIRMAN, METROPOLITAN NASHVILLE AIRPORT AUTHORITY; GENERAL WILLIAM G. MOORE, PRESIDENT, METROPOLITAN NASHVILLE AIRPORT AUTHORITY; LES SUTTON, PRESIDENT, INGRAM BARGE CO.

Mr. MATHEWS. Congressman, I am going to take a cue from my Councilman, Charlie, and not read my remarks. I know they are in the record. But I would like to digress just a little bit. And I am certainly sorry that Congressman Valentine is not here.

Mr. CLEMENT. Well, introduce your Councilman back there. I want you to. If you do not, I will. We are pleased to have him.

Mr. MATHEWS. Charlie Fincher, why do not you stand up?

Mr. CLEMENT. Charlie is a great friend, a great Councilman, does an outstanding job for Nashville.

Mr. Mathews. I am sorry that Congressman Valentine is not here, but I would like to state, Mr. Chairman, just a start fact. First, Nashville, North Carolina is older than Nashville, Tennessee. That is the first thing.

Mr. Clement. We learned that at lunch.

Mr. Mathews. I heard you did. The second one was that I am extremely fond of you, Congressman Clement, and I compliment you on your historic and geneologic connections with Andrew Jackson. But I thought it would be fair also to put it in the record for Congressman Valentine that Andrew Jackson, matter of fact, was born in North Carolina.

Mr. Clement. That is correct. But he did not point that out.

Mr. Mathews. The other one I would like to ask Chairman Anderson is I want to know—it is more of an economic statement for us. A question from our state, and it is, Congressman Valentine and Congressman Clement agree, which state has the best country ham and if they would tell you about it, then we would most helpful to know if it is from North Carolina or from the state of Tennessee. And if you could let me know that sometime, I would appreciate it.

Mr. Clement. Country ham, which state, North Carolina or Tennessee.

The Chairman. You better answer that one. I cannot.

Mr. Mathews. I will leave that up to you. But, I would like——

The Chairman. I will ask him and get the answer.

Mr. Mathews. Thank you, sir. Well, it has been a debate for a long time around here.

Mr. Clement. Are we talking about hams or country ham?

Mr. Mathews. I said country ham. I will let you play the words if you want to.

I would like, though, to emphasize my written remarks by giving—paraphrasing of my closing remarks.

Mr. Clement. All right, Chairman Mathews, your comments will be incorporated into the record as if read.

Mr. Mathews. We recognize the important mission of this Committee in Congress, and I would be remiss if I did not emphasize that attention to all the modes of transportation. And I underline the word "all." It is vital to our region, as you all are well aware, and it is a great concern of this community that well-documented problems with roads, rivers, bridges, airports, seaports and sewer systems have been found by your Committee. We urge that the concepts and the funding necessary to achieve the superior status in all modes of transportation should become a national priority. In addition to the basic needs for improved and new infrastructure, let me suggest that regions like Nashville would benefit from futuristic thinking that incorporates mass transit, such as fixed rail access to and from communities surrounding its urban core.

Congressman Clement, you are to be congratulated. You have helped us be innovative in many ways in our air transportation system, and we believe that Nashville and cities of this size can be a model for other kinds of innovative thinking. It is also my belief that a nation should allocate additional federal funds for legitimate research in the critical area of transportation by our nation's universities and colleges. I think that the doctor from Vanderbilt was very creative in some of the thoughts that he had about management. It is now apparent that Nashville and its sister cities throughout the nation, as I said just a minute ago, have unique opportunities to participate more fully in the full range of opportunities available through expanded domestic and international business and cultural activities. The extent of these opportunities is directly related to our government's commitment to air, ground and water transportation. water transportation.

In closing, let me thank you again for coming to Nashville to hold these important hearings. And I would like to also—as you have already done, allow us to answer any questions that you might have of General Moore, who is President of the Airport Authority here about our particular interest, which is air transportation. And we would not be shy enough to say that we would not be interested in talking about any kind of transportation that supports our region.

We thank you for letting us be here, and I just turn it over to either Mr. Sutton or to General Moore or back to you, sir.

Mr. CLEMENT. General Moore, did you have a comment?

[The prepared statement of Mr. Mathews appears on p. 2342.]

General MOORE. I think the main comment that I might make is—this sort of responds to the question that the Chairman has been asking—what is the major issue that should be addressed? What is the priority?

In air transportation, I do not think there is any question but that the priority is capacity of our system. It is growing very rapidly. It is outgrowing the infrastructure of the airport system around the country, and that infrastructure is going to have to be improved quite rapidly over the next few years if it is to continue to do the job that people want it to do.

Secondly, the availability of international markets to communities like Nashville—there are many of them around the country—who need international connections better than we have today. At Nashville, we can demonstrate that we could support, for example, 12 flights a week to London. London is—has a large group of country music enthusiasts who tell us that they want to come to Nashville, but they want to come direct. They do not want to go through Chicago or Atlanta or Cincinnati or Dallas. They want to come direct.

We have people—some three million people in middle Tennessee, southern Kentucky and northern Alabama who are constituents of Nashville International Airport who also want to fly direct to Europe. We are working that problem very hard, but we are frustrated by the bilaterals and the attitudes which seem to focus decisions not enough on community needs and the economies of the communities around the country, but more on the competition between airlines and the competition for travel dollars between nations. We think the communities should have a larger voice, and we urge that Congress urge the Secretary of Transportation to continue the move that he has already begun in that direction. That is very important to us and others.

Mr. CLEMENT. Thank you very much.

Mr. Les Sutton, President of Ingram Barge Company.

Mr. SUTTON. Thank you. I recognize the lateness of the hour, and so I, too, will just touch on the highlights of my written statement which does include some details and talks about international competition.

But I would like to concentrate on two points this afternoon. One, if strategic infrastructure is provided by governments, private industry and job creation will quickly follow. And two, infrastructure decisions are long term, and the benefits of the right decisions and the damages of the wrong decisions often do not show up until years after the decision is made.

And the barge industry, which I represent, is small enough and closely enough tied to its infrastructure that the effects of those links may be more obvious than in some other industries. The commodities we transport are so basic that when we suffer, we know that hardship is spreading throughout many other industries, affecting thousands of jobs.

Our primary products are coal to generate electricity and make steel; ores for the manufacture of steel and other metals; petro chemicals for plastic, cloth, cosmetics, et cetera; grain for export; asphalt, stone, sand for roads and other construction projects. So, when our industry has problems, it is very clear that many others are feeling the effects of lost markets.

You mentioned the infrastructure investment sponsored by President Roosevelt earlier, and that is one example that I wanted to use of a market developed by private companies taking advantage of the government infrastructure provided, in this case, by President Roosevelt—the locks and dams on the upper Mississippi River.

In the late 1960s and early 1970s, the world's most efficient producing, marketing and transportation system for grain was developed based primarily on that series of locks and dams that had been built just before the war and right after the end of the war on the upper Mississippi and Illinois Rivers. And that system was so efficient that by the early 1970s, it had captured 75 percent of the world's soybean market. And I think any of you will agree that 75 percent of any market is a real asset and it should be protected at all cost. Well, we did not protect it. We lost it partially by political blundering and, too, the failure or the threat of failure to maintain our infrastructure.

By the way, that downfall was started not by President Carter, but Richard Nixon was the first one to embargo grain. Many of you forget that. Of course, you guys probably do not. But that is correct, it was Nixon's first soybean embargo that started us down the road to losing that market because existing contracts with Japanese exporters were canceled. And at the same time, we got embroiled in a silly environmental fight by not sitting down and talking as we do today over replacing lock and dam 26 in St. Louis. So, that allowed the Japanese to say America is not a responsible supplier. So, they went down to South America, installed infrastructure to produce and transport soybeans because they could say America is not a reliable supplier. Make your deals with Argentina. Now, we have about 40 percent of the soybean market and very capable competitor for the foreseeable future. By the way, unlike corn and wheat, the government does not support soybeans. Of course, what do you think the farmers do with those acres that they cannot grow the soybeans on any more? They grow wheat and corn, and we have to support that.

So, we built and captured a market based on infrastructure. And then, by having no idea what we were doing, we lost that market by focusing on something else.

I would like to go back because I do want to tie in also something Dr. Abkowitz said and focus on gaining the market. Again, the Federal Government provided infrastructure. Private citizens captured the market.

And one of my sister companies—as I know the Congressman knows—is Ingram Distribution Company. And that company is the largest wholesaler of books in the United States. And it started ten years ago with a very small textbook distributor in Tennessee. Well, it took advantage of these crossing interstates in Nashville to pretty well guarantee you if you ordered a book anywhere in the U.S. from Ingram Distribution, you would get it within 48 hours. Again, a private citizen taking advantage of the infrastructure.

And I think Dr. Abkowitz's concept is, "Let us not leave that to chance." We may have a perceptive private citizen here and the upper midwest may have one there. But, let us take all our assets—our infrastructure—put it all together and in a coordinated way, see where we have the advantage. Where can we guarantee investment and head in that direction. And I am excited about his concept, and that is why I think sitting here with the airline representatives is very symbolic because we put all our infrastructure together, look at what we do best and then concentrate on that and assure these businessmen that that infrastructure was going to be maintained. Back to the failure to maintain it, it would have been very much cheaper for us to have supported that infrastructure than to have the consequences of the lost market. Our industry paid a devastating price. And while exact statistics are not available, about half the businesses that were—existed in the barge industry in the 1970s, do not exist today.

And incidentally, one of the first companies to go was S&H Transportation, which had its roots here in Nashville. So, many Nashvillians suffered severe economic consequences, which was a signal for what was to come throughout our industry. We did not only lose fringe or weak companies—stalwarts of our industry went down.

So, decisions made a long time ago that really did not show up until 1982—decisions made in the early 1970s did not start affecting us until 1982. So, all of the money that was invested in the barge industry between the mid 1970s and 1982 was cut in half by 1985. Again, long-term decisions. And I recognize that you face hard choices—not only how to allocate scarce resources between consumer expenditures and long-term investment infrastructure, but also, which types of infrastructure should be replaced first. And our industry has made some progress on how to invest—how to allocate investment along the inland waterways.

A few years ago, the Inland Waterway Users Board, made up of shippers and operators, was formed to advise Congress on within the waterways, where do we concentrate on spending on that infrastructure? And it has been very effective. And as long as it can stay independent, I think it will more wisely allocate waterway resources.

And I—again, I recognize how hard it is to make those decisions. I watch, with many of the rest of you, the debate on which taxes to raise and what to allocate it, and I appreciate your concern there. But it seems like a lot of those decisions were made this way every day, which taxes to raise and where to put the money. But I commend you for this process of listening to the users and I encourage you to take this information back to Washington and make those hard choices to sell your colleagues and use us to help sell them to sticking with those choices because failure to meet a consumer need affects the economy one time. Failure to meet an infrastructure need affects the economy again and again and again as the failure to maintain roads affects the cost of automobiles. It affects the cost of all the business. It affects the cost of getting the commodities to the river to load in our barges. It affects the electronics industry. And it also is not obvious until it is almost too late.

Let me make a comment on a couple of other items that were brought up today. The first, mass transit. And I probably should address this statement backwards. For those of you who—I lived in Houston, Texas until about 25 years ago, and I was back there Wednesday making a presentation out in the western suburbs of Houston. And think about Houston 25 years ago and Nashville today. And for those of you who think you can solve Nashville's problem by building more highways, you should have been in that cab with me on that 12-lane freeway going nowhere. We were inching along and six lanes on the other side was inching along. You cannot solve the problem by building more freeways.

Bicycle paths. And I am glad you did not bring Congressman Tauzin with you and I trust that he will not read this statement because I lived in New Orleans before I moved to Nashville. And there are not many things I miss about New Orleans. But one thing I do was that 17-mile long bicycle path along Lake Pontchatrain. It was a real asset to that city, and it is something that I really miss here as my family and my neighbors walk up and down the middle of the road dodging cars.

Thank you very much.

[The prepared statement of Mr. Sutton appears on p. 2451.]

Mr. CLEMENT. Thank you.

The CHAIRMAN. Well, General Moore, Mr. Mathews, Mr. Sutton, thank you for your presentation. I do have a question. Gentlemen, how important are general aviation and waterway facilities to the economic development in this area?

General MOORE. Mr. Chairman, I think it is important. The importance varies somewhat with the area that you might be considering at any one time. But you cannot have a big international airport in every county, for example, in Tennessee or Texas or California. But those counties are relying more and more on aviation than they have in the past because they have businesses. They have to conduct a business, in some cases, worldwide; in others, across the country. They use business jets or business turbo props to support that kind of activity, and they are important also from the standpoint of quality of living.

A little bit earlier, someone talked about the fun things up here at Springfield, and we do have a renowned aerobatic instructor out there at that airport. But what is wrong with fun in aviation in the air when it supports the quality of living of the people living in the community? We have a lot of aviation enthusiasts in this part of the world, around middle Tennessee. So, I think it is important from the standpoint of the people who look at it as a sport. It does create business. And from the standpoint of the necessary business that these communities have to conduct with other communities around the country.

Mr. SUTTON. I would like to also make a comment on that because Monday, I have three very important presentations I have to make: one at 9:00 in the morning in Pittsburgh, one at 1:00 in the afternoon in Philadelphia and 5:00 in Allentown, Pennsylvania. It would be very difficult to do that without a viable general aviation system.

And my written statement talks about the importance—in Nashville, the waterways are not as important to Nashville as they are to some of the others because of the way our waterway system is. But all of the asphalt, all of the cement, all of the sand comes to Nashville by barge. So, you are not going to find very much in Nashville if it wasn't supported by the inland waterway system.

The CHAIRMAN. Mr. Clement.

Mr. CLEMENT. Well, I am pleased that the comment was made awhile ago about international service because the only international service we have now is Nashville to Canada, is that correct?

General MOORE. Nashville to Toronto. And incidentally, Mr. Congressman, we have demonstrated that we could be supporting also 23 flights a week to Montreal. But that has to be worked out in agreement between the countries.

Mr. CLEMENT. I had breakfast not long ago with Mr. Crandall, who is the CEO of American Airlines. We talked a lot about international service for Nashville, Tennessee. I think we are all committed to that proposition because we are based in a region of the country that people want to come to. I know I had the opportunity earlier today to take Chairman Anderson around town. I took him to the state Capitol and I took him to Music Row and close to the Parthenon and by the airport to show him what Nashville, TN has to offer. And being on the Aviation Committee, I sure am interested in more international flights because it would be a tremendous economic boom for this area.

Mr. MATHEWS. Congressman, I must chime in to suggest that one of the parts of our aviation future has got to be the freight side of it. It all ties back to Mr. Sutton's thoughts. And we believe that is one of the underlying economic advantages to encourage international flight. So, we are working both the passenger side, as well as the freight side of it.

And I also comment along with Mr. Sutton, it would be fabulous to have a renaissance back to our river with bicycle paths not too unlike what they have in, say, even San Antonio. We have abandoned our river from its beauty, as well as its transportation. And I hope that somehow or another, the creativity, regardless where it comes from, ties those ideas all into one big package and we get our bicycle paths and our renaissance back to our river. We thank you for being with us.

Mr. CLEMENT. Nashville's future is just unlimited. The only way our future is limited is through no ideas. And as long as we are looking ahead and planning ahead, what was said awhile ago by Mr. Sutton talking about the infrastructure and the investments that can be made into the future, and even though we do not see it the next day, by making those investments, the dividends that take place from those investments—what about our port facilities, Mr. Sutton? What do we need to do? I know Chairman Anderson—my goodness, what he has done in California is remarkable.

Mr. SUTTON. I have——

Mr. CLEMENT. He will be remembered. As a matter of fact, he has got a lot of things named for him there in his area simply because he has been the difference.

Mr. SUTTON. I have been active in ports and waterways matters for a number of years. And port facilities need to be developed along with the other facilities, and there are people back in the audience that could answer this for Nashville better than I. But I do not think Nashville today is sufficient in port facilities. And as the commerce grows and as the businesses develop, usually, if governments makes way for port facilities, at least at this level, private industry is ready to do it. So, I do not see that that—my personal opinion is, that would not be one place that I would put the scarce resources. I think we could attract private investments in ports as long as we keep the waterways valuable and keep the traffic flow.

Mr. CLEMENT. Well, thank you all very much.

Mr. SUTTON. I would like to make one other comment because as I sat here and talked about international competition, I had forgotten because Ingram Industries does change our parent company. And our biggest brother now is not the book company that I talked about earlier, but it is Ingram Micro D, which is based in California, and which is very much involved in international competition. It is one of the larger wholesalers of computer hardware and software and very much cognizant of the costs that are—exist in the Pacific rim and we are now moving into Europe. So, we are operating that international distribution business out of Nashville, makes you very conscious of how important it is to stay competitive in infrastructure.

Mr. CLEMENT. Thank you all very much.

This is our final panel upcoming. I would like to ask Ms. Diane Davidson and Mr. Bob Saunders to take a seat. Diane Davidson is the Manager of the Brentwood Area Transportation Management Association and has worked extensively on transportation issues as they relate to bicycling. Bob Saunders is President of the Nashville Bicycle Club. Diane and Bob will discuss the role of bicycling in transportation regional planning.

Ms. Diane Davidson.

TESTIMONY OF DIANE DAVIDSON, MANAGER, BRENTWOOD AREA TRANSPORTATION MANAGEMENT ASSOCIATION; BOB SAUNDERS, PRESIDENT, NASHVILLE BICYCLE CLUB

Ms. DAVIDSON. Thank you. Chairman Anderson and Congressman Clement——

Mr. CLEMENT. What a great red letter day for all these nice comments about bicycling——

Ms. DAVIDSON. Oh, yes.

Mr. CLEMENT [continuing]. Without you even testifying.

Ms. DAVIDSON. I know. I could almost stop now. But I think often bicycles are relegated to the last and to an afterthought, so I am going to vote for the prerogative of making full testimony for that reason.

It is a pleasure to be here to comment on the shaping of the new national policy because just in ten months, Congress will be authorizing legislation that is really going to shape the destiny of the transportation process well into the next century.

I am here representing the Brentwood Area Transportation Management Association, which is a partnership formed in 1988 between the public and private sectors to provide leadership in the area of traffic mitigation. And BATMA has the distinction of being the first TMA to develop in the south, the 35th to develop in the nation. And now, there are over 120 TMAs in the country, many of which are in California. And BATMA has been a role model for the formation of many of the new ones.

Our primary goal has been to promote strategy and activities, including bicycling, that have provided congestion relief and we received national recognition for our innovation. In the belief that we must use all the tools at our command to solve the congestion crisis, and I think the other testimonies have gone over the reasons and the trends and how we are definitely facing a congestion crisis in both the suburbs and the urban areas. We have created park and ride opportunities with TDOT funding. We promote van pools. We have a computer matching system. We have mediated out problems between major developers who could not agree on shared intersections. We are looking at reverse commute service to bring people from rural areas into job opportunities in Brentwood and we have advocated commuter rail. And lastly, we also wrote a bicycle policy plan and major route plans to recommend to the city of Brentwood, and they, in turn, have passed as of last September an official bicycle policy, which is a precedent in the state of Tennessee. And now, they have certain policies that are promoting bicycles.

Why is this important? I think that we must restore stability, mobility to the suburbs. We have a real energy crisis. The primary source of our oil is in a region whose stability is about as stable as a sandcastle right now. We have real air pollution problems. Many areas here are non-attainment areas now. And much of the Frazier firs in the Great Smokey Mountains, which we are so proud of—they are beautiful—are dead because of air pollution problems. So, I think that all brings it very close to home why we have got to be very serious about all our solutions, including bicycles.

To do this, we have to look at a balanced transportation system that not only advocates an adequate supply of facilities, but we must manage the demand better that is placed on the system. And I think that tie—I wanted to say this to tie it together because transit—car pools, van pools, bicycles—are all mechanisms that allow you to manage the man and not just build supplies that attract better usage.

The transportation demand management, including bicycles, protects valuable infrastructure investments and it also makes economic sense, while it also reduces that air pollution and reduces reliance on foreign oil.

A TDM measure that has been vastly underutilized in this country is bicycling, both for commuting and non-work trips. Apart from walking, bicycles are the most non-polluting, energy efficient and quiet form of transportation possible, and they are ideal for short trips, which compose about 50 percent of all commute trips in the nation because short trips, because of cold starts and lower speeds, are the most polluting form of trip making. A Commute Travel Needs that we conducted in Brentwood found that almost half of the respondents live within ten miles of their work place and 18 percent live only five miles from their work place, which would be a bicycle ride of about 25 minutes and is very feasible. When people ride their bicycles to perform utilitarian tasks, which means rides other than for recreation, it eliminates a trip that would otherwise have been made by a single occupant car and also promotes physical fitness. Furthermore, it is important to note that non-work trips are increasing at a faster rate in this country than are work trips and there is fewer tools that we have to get at managing non-work trips. Bicycles are one of our best opportunities to do that. The bicycle offers one of the best opportunities to moderate suburban non-work trips. And if we create safe riding environments, many auto trips made on the part of parents to chauffeur their children to extra-curricular activities can be eliminated from the system.

However, opportunities for bicycling have to be improved and significantly enhanced if the full potential for bicycling is to realized not only in the Nashville Urban area, but nationwide. In preparation for this testimony, I reviewed the Strategic Planning Study submitted to the House last year by Secretary Skinner, and I could find very few references to bicycling. I think this reflects the fact that for the most part, prior government support for bicycling has been in the area—and has been limited to recreation trails, rather than actual commuting routes that actually link people with where they live to where they work and where they need to shop. Yet, experience shows that when adequate cycling facilities are installed that take people where they need to go, they will use them. A notable example is Madison, Wisconsin where the share of bicycle trips rose from four percent to 11 percent after they installed a system of bicycle lanes. Long-time government commitment to cycling in Denmark has resulted in that 33 percent of the nation's urban commuters bicycle to work. And I would note that in that country that expenditures for bicycle improvements exceeds those for highway road improvements.

There is much our Federal Government can do in the post-interstate era to stimulate transportation demand management, including more effective use of the bicycle as a mobility mode. If you will bear with me, I would like to mention some of these specific measures.

In the first place, setting a policy that encourages state transportation departments to take bicyclists seriously would go a long way. The September announcement by Administrator Larson of the creation of a national bicycle program manager is a step in the right direction.

Then, changing the current categorical nature of federal programs to a formula nature will add flexibility to funding sources. In other words, this will level the playing field. And rather than highway and transit type programs competing for dollars where those programs that have the best match ratios have the greatest likelihood of being funded, it is going to even—level out the playing field. And I think in the process of that, bicycles will be treated in a more balanced manner.

I think research is going to be important for all modes, including bicycles. And we need some national demonstration projects and evaluation of good practices, the best engineering designs and the impact of bicycles on congestion, pollution and energy consumption.

We need to develop new funding mechanisms that provide incentives for state and local projects to promote and provide adequate bicycle infrastructure. And perhaps an idea there is to spend down that trust fund, but dedicate certain portions or earmark them for the more innovative projects, such as bicycling.

Cities should encourage their MPOs to look for opportunities to properly design and locate new bicycle facilities as part of all planned roadway improvements and new developments and to enhance bicycle use on existing facilities. The MPOs, I believe, in the reauthorization bill are going to have to do congestion management plans. I think it is going to be important to define bicycles as an applicable activity under those congestion management plans to remind all the MPOs that this is something they can do.

I think that overall, what we are looking at in the reauthorization bill in one area is continuing to focus on the maintenance of our interstate system and devoting funds—limited funds towards strategic needs. In other words, putting funding for building totally new facilities and applying that very strategically. And then focusing in the other part on better management of the system. And if we can do that and level the playing field and add flexibility into it and define bicycles as part of the activities that should be pursued, I think we will start on the road to maybe bringing some of the European experience and success to America.

Mr. CLEMENT. Thank you very much, Ms. Davidson.

Now, Mr. Bob Saunders, President of the Nashville Bicycle Club.

[The prepared statement of Ms. Davidson appears on p. 2313.]

Mr. SAUNDERS. Congressman Clement, Mr. Anderson, thank you very much. My comments will be very brief. I do not have very much. I do not want to go over a lot of things that have been said, but I would like to say it because they kind of relate to Nashville—some examples in Nashville.

Bicyclists have a stake in the development of a sustainable transportation system. Current dependence on oil and on single-occupant car travel has led to appalling levels of congestion, air pollution and a reliance on foreign oil that cannot be sustained. Nor can these problems be solved by building more highways. If reliance is placed solely on the traditional highway system to accommodate the anticipated peak hour traffic, by the year 2010, the Nashville major street plan is calling for ten lanes on I-24 East, six lanes on Murfreesboro Road and eight lanes on Bell Road. The social, environmental and economic costs associated with projects of this magnitude are staggering, and this is just one small section of Nashville. There are plans calling for similar expansion projects in all major metropolitan areas.

The encouragement of bicycling, pedestrian and other alternative forms of transportation will help to provide some of the answers to our transportation problems. As Diane mentioned and others, statistics show that more than half the population live within five miles of their work or school, and with the increase in the number of neighborhood and regional malls, most people live within a few miles of major shopping also. Many more people would ride bicycles or walk to these areas if it were safe to do so. I could not find a single crosswalk marking or secure bicycle parking place in all of the Hickory Hollow Mall area. Yet, the automobile parking overflows onto the area streets every day during the Christmas season. Nashville Metropolitan Schools do not provide bus service to students that live within a mile and a half of the school or a mile and a quarter for grades under 5 of the school they are attending. In our neighborhood, some of the students must travel or cross Una-Antioch Pike to get to Apollo Middle School or J.E. Moss Elementary. Yet, there are no sidewalks, crosswalks, crossing guards or safe bicycling areas along this road. Situations like this only encourage the use of the automobile and nothing else.

In the current highway act, there are very few specific mentions about bicycling. More importantly, the language that does exist only permits states to spend a portion of their federal money on bicycle projects. To do so, they must decide not to spend that money on other highway projects. In other words, the money is not earmarked for bicycle use. Only 18 states have ever spent any of their federal money on bicycle projects. There is a lack of any real requirement or incentive to include provisions for bicycling—shoulders, lanes, separate paths or whatever they may be—in the design and implementation of projects funded by the Federal Government. The current law and practice still favors highway construction strictly for cars rather than the encouragement of alternatives to the automobile.

In the upcoming legislation, I encourage you to include the following:

One, a statement of policy calling for greater recognition of bicycling as a legitimate and practical means of transportation capable of helping to solve many of the environmental, social and economic problems faced by the transportation system in urban and suburban areas.

Two, stronger language to the effect that any transportation project constructed or reconstructed with federal dollars should be accessible to and usable by bicyclists, except possibly those highways where access is to be fully controlled. This should be in addition to the current language and would include both highway and transit expenditures.

And three, a requirement that states spend a minimum of three percent of their federal aid highway dollars on independent construction and non-construction of bicycle and pedestrian projects.

Thank you very much.

[The prepared statement of Mr. Saunders appears on p. 2448.]

The CHAIRMAN. Ms. Davidson and Mr. Saunders, thank you for your testimony. You may not know this, but I have been an advocate of bicycle programs going back to my early days when I was a bicycle delivery boy. In fact, in the 1982 Highway Act, I increased the federal share for bicycle-related projects to 95 percent. That is pretty good when the Federal Government comes up with 95 percent and the state only has to come up with five percent. I believe that is what it is today right now.

Next year now, we are right now working on our next year highway bill, which includes the whole business, and the entire highway bill expires this coming year, so we have to pass it. And we have been working on it this year. And next year, we will be reauthorizing the highway program. Do you have any suggestions about what should be included in that bill regarding bicycle programs? Ms. Davidson.

Ms. DAVIDSON. I think to reiterate some of my earlier comments, the post-interstate reauthorization bill provides the opportunity to build in flexibility, predictable funding and increased research and development for bicycle technology and application and specific attention should be directed towards language in sections of that act that discuss what congestion management plans will be expected of the metropolitan planning organization. I think any activities that can provide leadership from the national level to encourage the state Highway Department to begin integrating bicycles in their organizations in a more high profile manner would also be significant.

The CHAIRMAN. Mr. Saunders.

Mr. SAUNDERS. Along those same lines, I think the statement of policy calling for the greater recognition of bicycles both for transportation and in recreation. Like Mr. Sutton mentioned awhile ago, that 17-mile bike trail around Lake Pontchatrain. That is primarily for recreation, but if bicycling is encouraged for recreation, it is going to increase for transportation as well. Someone, if they get out and ride on Sunday afternoon around the lake, if that is available, they say well, maybe I will just ride to work tomorrow and it becomes a habit and it becomes something that is available. But that has got to be managed, I guess, from the top down because it has got to be safe to do so. And as we are around here, there are just very few safe places to go out and ride.

The Citizens Advisory Committee to the Metropolitan Planning Commission here—my wife is a member of that in our particular area, and she is the only person I know of at this time that has recommended some bicycle policies be incorporated into the upcoming recommendations to the Planning Commission. That includes some greenbelt areas around Percy Priest Lake, and the grand plan would include a connection all the way from the eastern side of Davidson County or Percy Priest Lake area, all the way to Williamson County, which hopefully, could connect with some of the plans that Brentwood has.

The **Chairman**. Bob.

Mr. **Clement**. Well, one of my questions was about the criteria for selecting the area for bicycle routes here in the Nashville area, including Williamson and the contiguous counties.

Mr. **Saunders**. It is very difficult to name one place I would recommend to start. There is—so much groundwork would have to be done in any of these areas to do something along those lines.

Mr. **Clement**. I understand that BATMA recommended a municipal policy for bicycling. What are some of the goals and objectives contained in that plan?

Ms. **Davidson**. I would like to address that. We first, in answer—partial answer to your first question—looked at criteria before we could actually start drawing up plans and policies. And the main thing was looking at route that would take people from place A to place B where they wanted to go, reasonably direct routes, routes that serve existing office developments and residential and recreational areas. As Bob said, if you can begin to get people to ride for recreation, eventually, you may wean them up to trips that take them—that take other trips off the road.

We also think it is important to provide ample opportunity for school-aged children to access their desired destination. And so, we look at a long-range bicycle route plan, establishing minimum design standards for improvements as you would be surprised that is something that is lacking and could use state and federal research and direction. Conducting inventories of existing conditions. And then going—using the regular public works maintenance process to make sure that shoulders are kept clear so that accidents do not occur. Making sure that grates are in the proper direction so that bicycle wheels do not get trapped in and cause serious accidents. These things are very low cost measures, but need to be addressed in a comprehensive sense to really make an impact on the system.

Mr. **Clement**. I appreciate very much both of you testifying today.

Mr. **Saunders**. Well, we certainly appreciate your support for bicycling as well.

Mr. **Clement**. Thank you. I want to do that and I want to do much more.

Mr. **Saunders**. Thank you. If we can be of any help along those lines, be sure to contact us.

Mr. **Clement**. Thank you very much for saying that.

Ms. **Davidson**. Thank you.

Mr. **Clement**. I want all of us to work together for next year on this highway reauthorization and some other ways that we can promote bicycling in Tennessee and this region of the country.

Before we adjourn this hearing—before Chairman Anderson adjourns this hearing, I know there are some others that have an interest in testifying. We have run out of time, but I do want each person that wants their testimony placed into the record to come forward, give their name, the organization that they represent and we will have your prepared statements incorporated into the record.

Thank you for also testifying today and it has been a pleasure having all of you here and I appreciate all of you for participating as you have, and this is going to be very helpful for us when we plan and have hearings for this upcoming year. And the 102nd Congress, as all of you know, commences in January of 1991.

Chairman Glenn Anderson.

The CHAIRMAN. Well, I want to thank all of our witnesses here today for their testimony, their expertise and for helping us better understand the importance of our Nation's infrastructure needs from the perspective of the state of Tennessee. I also want to thank the people of the 5th District for their warmth and hospitality. And Bob, I want to thank you for your untiring interest and support and your staff for their hard work in making today's hearing a success. With that, the Committee stands adjourned.

[Whereupon, at 5:20 p.m., the Committee was adjourned.]

PREPARED STATEMENTS OF WITNESSES

MANAGING TENNESSEE'S TRANSPORTATION INFRASTRUCTURE: A BATTLE FOR ECONOMIC SURVIVAL

Statement of Mark D. Abkowitz, Ph.D.
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Testimony Before
Committee on Public Works and Transportation
U.S. House of Representatives

December 7, 1990

MANAGING TENNESSEE'S TRANSPORTATION INFRASTRUCTURE: A BATTLE FOR ECONOMIC SURVIVAL

As we enter the decade of the 1990s, unprecedented social, economic and technological changes are profoundly affecting the management of transportation, and its relationship to economic development and the environment. Relaxed worldwide trade restrictions, growing environmental concerns, just-in-time manufacturing processes, and an evolution in communications technology are redefining the way in which transportation facilities are located and managed.

Here in the United States, several decades have passed since any substantial investment has been made in our nation's transportation infrastructure. Whether one is an economist tracking transportation investment and growth in the gross national product (GNP), or a regular user of the existing infrastructure, the conclusion is quite evident: **America has amassed a substantial infrastructure "deficit."**

One may ask, "What is the relationship of the current state of our transportation infrastructure to future economic survival?" The answer is rather sobering.

The 1990s will mark clearly for the first time that there is only one economic arena -- the worldwide marketplace. Global competition will be intense and additional demands will be placed on our transportation infrastructure to provide efficient, expeditious, reliable and safe service, while maintaining environmental quality. The relationship between a healthy economy and transportation system is so strong that transportation, according to the Department of Labor, occupies 24% of an average American's personal expenses, employs 11% of the U.S. work force, and represents 25% of our export dollar.

Regional Economics

While the infrastructure deficit is considered a national problem, economic impacts are generally absorbed on a regional basis. Meeting transportation needs associated with the manufacturing and distribution of raw goods and finished products, as well as personal travel requirements, determines whether an organization can compete in the international marketplace as well as the quality of life which makes a community attractive to prospective employers and employees. This is the challenge before the State of Tennessee and any other economic region in the United States.

Astronomical figures have been cited when it comes to rebuilding and rehabilitating our nation's transportation infrastructure. While some capital spending should and will be done, there will simply not be sufficient resources to adequately do the job everywhere that it is needed. Within the State of Tennessee, to remain competitive, we must seek ways to manage our transportation resources more effectively, and to bring together constituencies at the regional level that can benefit economically and environmentally by coalescing.

Key Issues

The issues presented below identify infrastructure management initiatives which must be acted upon in order for us to remain competitive within the transportation, economic, environmental and technological parameters established by this new international playing field.

(1) Communications Technology

We live in an information age, so much so that information has replaced money as the world currency. The advent of geographic information systems, satellite tracking, electronic data interchange, fiber optics and numerous other technological advances in the communications industry has introduced tremendous potential for data acquisition, information transfer, real-time monitoring and other forms of transportation decision-support. The ability to have "smart" highways and "smart" vehicles as well as dynamic traffic management and emergency response is within reach. These achievements would lead directly to greater transportation system capacity, safety and operating efficiency.

(2) Training and Technology Transfer

America's transportation workforce, many of whom came to the field while the existing infrastructure was under construction, is reaching retirement age. As these transportation professionals are being replaced, their successors must be trained to manage rather than build transportation systems. This puts new demands on our educational system to provide effective training and technology transfer. A principal focus of this new educational initiative should be the key role that information technology and decision support will play in the design, operation and efficient management of our transportation systems.

(3) Government-Industry-University Research Partnerships

Formidable partnerships involving government, the transportation industry and universities specializing in transportation disciplines have been established in Japan and Europe to gain a competitive edge in the international marketplace. Intelligent vehicle highway systems (IVHS) and the use of magnetic levitation for high-speed rail are but two examples of foreign collaborative efforts. In the U.S., these same organizations have been working on parallel streams rather than in unison, contributing to a net loss in creativity, productivity, synergism and resource sharing. This trend must be dramatically reversed.

(4) Interdisciplinary Approaches to Problem-Solving

The management of transportation problems has grown in complexity over time, requiring a more interdisciplinary approach to problem-solving and decision-support. The management of technology that will be necessary to improve the transportation infrastructure will involve, at a minimum, engineering, management, economic, public policy, legal and health science input and interaction. An effective mechanism to encourage the collaboration of individuals specializing in these disciplines, focused on transportation problems, is sorely needed.

(5) Regional Transportation Strategic Planning

The regional economic "crisis" which is developing from transportation infrastructure deficiencies must be confronted by constituencies who are directly impacted, such as shippers, carriers, state and local authorities, service providers, financial planners, legal representatives, commercial developers, educators and public interest groups. This perhaps unlikely group of partners must coalesce to examine a region's transportation, economic and environmental objectives, identify challenges in meeting these goals, identify resources available to the region, evaluate the competition which may be capable of achieving similar goals in other regions, and develop a critical path of short and long-term strategic initiatives necessary to successfully achieve the stated objectives.

This will require a new way of thinking for some groups within such a partnership, because the element of unity is regional viability, and not environmentalist vs. industrialist, trucking vs. rail, or innovator vs. traditionalist. The issue is Tennessee vs. other economic regions in the U.S., or more importantly, Tennessee vs. economic regions in Europe, Asia and other parts of the world.

What Is Government's Role?

Several national transportation initiatives must be undertaken to serve as a catalyst to restore U.S. competitiveness. In practical terms, these initiatives translate into policy changes and "seed" funding in support of program implementation.

A broad national research and development program is needed to harness communications technology to our competitive advantage. America is lagging behind foreign competitors in developing these capabilities, bringing products to the transportation marketplace, and realizing productivity and efficiency gains through their subsequent implementation.

Funds must be set aside to develop a curriculum which educates the future transportation professional and re-trains current transportation employees so as to be prepared to successfully manage in this new era. The Vanderbilt Information Systems in Transportation Academy (VISTA), an advanced institute for transportation management funded by the U.S. Department of Transportation, is one such example. Through VISTA, several highly-skilled professional men and women have returned to pursue advanced degrees in a number of disciplines related to transportation.

Tax credits or some other form of financial incentive should be established to promote the formation of government-industry-university partnerships in order to pursue research and development in transportation. My colleagues and I have experienced expressions of surprise from several senior transportation executives concerning the unique capabilities of university researchers to address their management problems, and regret for not having established a formal relationship some time ago. These barriers and stereotypes must disappear, and the Federal government has a responsibility in effectuating such change and participating in the partnership.

Responsibility for the conduct of regional strategic transportation plans and the subsequent implementation of recommended actions should be borne by individual regions. They would be the economic benefactors and are the largest stakeholders. However, Federal funds set aside for demonstration projects which regions could obtain in order to develop prototype strategic planning efforts would hasten the adaptation of this approach to better serve U.S. regional economic interests.

In closing, I would like to emphasize one final point. Many of the challenges before us in managing our transportation infrastructure to competitive advantage are based on worldwide factors that are well beyond the control of domestic government policy. Consequently, the focus of Federal transportation program policy, in order to be effective, must be in providing opportunities to enable U.S. industry to compete on a level playing field in this battle for economic survival.

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

NASHVILLE, TENNESSEE

DECEMBER 7, 1990

BY WESS BALL

TENNESSEE HIGHWAY USERS CONFERENCE

Mr. Chairman, my name is Wes Ball. I am President of the Tennessee Grocers Association and a member of the Tennessee Highway Users Conference. I'm here to present the prepared statement for the Conference. We are pleased to be here and appreciate the high priority you're giving this important issue of "Tennessee's Infrastructure Needs."

The Tennessee Highway Users Conference is a statewide non-profit organization comprised of diverse membership to include hotels & motels, auto clubs, farm groups, petroleum and rubber groups, trucking companies, safety interests, outdoor advertising, grocers, automobile dealers and others. Our purpose is the development and maintenance of a good highway transportation system -- to include the roadway, the driver, the vehicle and energy.

We commend you Mr. Chairman and Congressman Clement for bringing the Committee to Tennessee and we welcome you. We welcome you with the 43 million other travelers that come to and through Tennessee each year. These visitors spend $4 billion annually with us. There is a real direct linkage between these visitors--their dollars and Tennessee's infrastructure needs. Eighty one percent of our visitors come by highway.

Tennessee Highway Users support the development and designation of a National Scenic Byways System. In 1982 our state designated a 2300 mile Tennessee Parkway System. We'd like to see that system intergrated into a national system for promotion, designation and standardization. Our hundreds of small towns would also benefit from this tourism business. Seventeen percent of our miles of travel is for leisure and recreation. These travelers would benefit from this system.

Tennessee Highways are Tennessee's economic lifeline. Nissan, Saturn, Kellog, Eastman, Shoney's, Malone & Hyde and thousands of other companies depend on good highways to carry their employees to work and their products to market.

Forty percent of our bridges are deemed deficient. Three hundred highways are identified as being in need of major improvements over the next 10-15 years. The total bridge and highway maintenance need by the year 2000 is over $10 billion.

An infrastructure need for Tennessee is an assured funding source for our highway system. The user fee---pay-as-you-go has provided us with a highway system that's the envy of many. We need that user fee left in place without such diverson measures as those passed by the recent Congress when motor fuel tax was used to reduce the deficit.

Tennessee's infrastructure needs could be well served by the release and expenditure of the $17 billion balance in the Highway Trust Fund.

Congestion, bad roads and poor traffic control and management increase traffic accidents and the cost of transportation. Our state experienced 1,088 traffic facilities in 1989 --- 2.2 deaths per 100 million motor vehicle miles. Slightly below the national average of 2.3. With road travel increasing 4% per year nationally, the death toll could reach 80,000 by the year 2000 at this present death rate. We are participating in a national effort to get the rate down to 1.8 by the year 2000. Tennessee needs a good road network system to contribute to this reduced traffic death rate.

Mr. Chairman and members of the Committee as you well know Reauthorization of a 1992 Highway Program must occur by September 30, 1991. We urge your attention and action on this matter early into 1991 in order that continuous and smooth operation of our nation's highway transportation system can occur.

Thank you for hearing our statement.

Diane Davidson

PREPARED STATEMENT OF DIANE DAVIDSON
BRENTWOOD AREA TRANSPORTATION MANAGMENT ASSOCIATION
Bicycle Comments for ReAuthorization Hearing
December 7, 1990

Thank you for the opportunity to comment on the shaping of the new national transportation program. I represent the Brentwood Area Transportation Management Association which is a partnership formed in 1988 between the public and private sector to provide leadership in the mitigation of suburban traffic congestion. Our goal has been to promote strategies and activities that provide congestion relief and we have received national recognition for our innovation and success.

There is a very real congestion crisis facing the United States and this Nashville urban area. Recent Major Route Plans in Nashville and Brentwood show present and future unacceptable levels of delay on the interstate and local highway systems. Building enough capacity to provide for future needs is limited by right of way and construction cost and environmental issues. At the same time, air pollution, global warming and energy shortage concerns threaten the quality of our lives. A major issue in the new policy will be how do we restore mobility to the suburbs.

A balanced transportation system that can take America through the next decade and beyond must not only emphasize an adequate supply of new facilities but must also manage the demand that is put on the system. Transportation Demand Management (TDM) activities protect valuable infrastructure investment and extend the capacity of existing roads. TDM makes economic sense while also reducing air pollution and reliance on foreign energy sources.

A TDM measure that has been vastly underutilized in this country is bicycling, both for commuting and non-work trips. Apart from walking, bicycles are the most non-polluting, energy efficient, quiet form of transportation possible and are ideal for short trips. Bicycles are an ideal mode for commutes under 10 miles which is great because short auto trips are also the most polluting. A Commute Travel Needs and Commute Patterns survey of Brentwood area employees found that almost half of the respondents live within 10 miles from their worksite and 18% live only 5 miles or less from their work, a bike ride of about 25 minutes.. When people ride bikes to perform utilitarian tasks, it eliminates a trip that would have been made by a single occupant vehicle and also promotes physical fitness. Furthermore, non-work trips are currently increasing at a faster rate than work trips due to our lifestyles, new demographic trends and land use patterns. It is very difficult to manage these trips in the sense that we manage work trips through employer rideshare programs. The bicycle offers an excellent opportunity to moderate suburban non-works trips. If we created safe riding environments, many parental auto trips could be eliminated as children could bicycle to afterschool or weekend activities.

However, opportunities for bicycling have to be improved and significantly enhanced if the full potential of bicycling is to be realized in the Nashville Urban area and nationwide. In preparation for this testimony, I recently reviewed the National transportation Strategic Planning Study submitted to the House of Representatives by Secretary Skinner last

March. The document accurately portrays the urban and suburban congestion crisis, air pollution, global warming, demographic trends and environmental problems that require rethinking of the way we travel. Among the primary issues of concern under the highway system were safety, traffic congestion and need for greater reliance on transportation demand management. So far so good - But no where in the 300 page document could I find any mention of bicycle as a mode to promote. This reflects the fact that for the most part, government support for cycling in this country has been limited to recreational trails rather than useful commuting routes that link places where people live to where they shop and work. Yet experience shows that when adequate cycling facilities are installed that take people where they need to go, they'll use them. A notable example is Madison, Wisconsin where the share of bicycle trips rose from 4% to 11% after installing a system of bicycle lanes. Longtime government commitment to cycling in Denmark has resulted in that 33% of the nations urban commuters cycle to work. There is much our Federal government in the post-interstate era to stimulate TDM including more effective use of the bicycle as a mobility mode:

*setting policy that encourages state transportation departments to take bicycles seriously. The September announcement by Administrator Larson of the creation of a national bicycle program manager is a step in the right direction;

*changing the current categorical nature of federal programs in recognition of changing travel demands, severe air quality problems and need for new solutions will add flexibility and may result would result in a source of funding for bicycles.

*providing support for research, national demonstration projects and evaluation of good practices, engineering designs, and the impact of bicycles on congestion, pollution and energy consumption;

*developing new funding mechanisms that provide incentives for state and local projects to promote adequate bicycling infrastructure;

*Cities should be encouraged through the MPO to look for opportunities to properly design and locate new bicycle facilities as part of planned roadway improvements and new developments and to enhance bicycle use on existing facilities. I know of no better way to accomplish this than through funding incentives.

*New federal funding programs should be flexible enough to support local ridesharing efforts.

*Hope to see better coordination of investments in one part of the urban system with those in other parts so that the whole works together better. This kind of investment strategy will require flexibility in the of funds irrespective of system ownership.

*conducting and funding research and development into why the bicycle is an underutilized mode in this country in order to then develop strategic national goals for increasing its use. Adequate resources must be provided to implement the goals.

*the bicycle may have the greatest potential in suburban areas where congestion is approaching crisis proportion so make sure that cycling, along with vanpooling, carpooling, transit, is an element that must be considered in MPO congestion management action plans.

*Local Planning Commissions should be encouraged through education materials to include cycling into the suburban transportation environment.

*On state levels, Impact Fee Legislation provides credits for developers who contribute road improvements but neglects to give credits for TDM type contributions. This should be amended at the earliest opportunity.

*The new highway funding programs should provide incentive, such as better matching ratios, for local and state governments to try creative supply and demand management solutions, such as HOV lanes, ramp metering, Park and ride lots, bike sensitive signal detectors. Improving safe cycle access to and through areas that otherwise would be too dangerous, such as underpasses or bike bridges should receive priority treatment.

*Provide an equitable distribution of funds so that the interstate system is well maintained and suburban and air quality problems are addressed.

*Include incentives through the MPO process that reward better coordination of local land use and transportation.

The Brentwood City Commission, in recognition of the growing interest in bicycle transportation passed a Resolution last September and will incorporate a Bicycle Route Plan as a sub-element of their upcoming Collector Plan.

In summary, the new National Transportation Policy recognizes bicycling as one of the alternatives to driving along but has yet to allocate meaningful funding for bike facilities and education. A post-interstate Reauthorization Bill provides the opportunity to build in flexibility, predictable funding, and increased R & D for improved technology and decision making will serve not only bicycle but highway, transit and rideshare interests. BATMA, the City of Brentwood and the cycling public appreciate the Congressman's interest in commuter cycling and the opportunity to address this group today.

DIANE DAVIDSON

EDUCATION

Master of Science, Planning. University of Tennessee, 1982. GPA=3.9
Bachelor of Arts, American Culture Studies, University of Tennessee, 1976.

PROFESSIONAL EXPERIENCE

1988-Present Executive Director, Brentwood Area Transportation Management Association.

1984-1988 Director of Transportation, Greater Nashville Regional Council.

1982-1984 Director of Paratransit, Metro Transit Authority, Nashville, Tennessee.

1979-1982 Market Analyst, Tennessee Housing Development Authority, Nashville, Tennessee.

Summer 1978 Planning Internship, Morristown, Tennessee.

1976-1978 Advertising Manager, West Side Story newspaper, Knoxville, Tennessee.

PROFESSIONAL MEMBERSHIPS

Association for Commuter Transportation (ACT)
  National Board of Directors, 1987-Present
  Chair, Transportation Management Association (TMA) Council
  Member, Southeast Regional ACT Chapter
  1988 National Conference Co-Chair

Institute of Transportation Engineers, Member

Transportation Research Board (TRB), Committee on Ridesharing

Tennessee Association for Special Transportation (TAST)
  Vice-President, 1988-1990

American Planning Association (APA)
  Immediate Past Vice-President of the Tennessee Chapter
  Member, APA Transportation Division

Public/Private Transportation Network (PPTN)
  Developer/Demonstrator of Ridesharing/Transit Integration, 1984.
  Expert in TMA Development, 1989-1990.

Urban Land Institute, Member

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

NASHVILLE, TENNESSEE

DECEMBER 7, 1990

BY THE HONORABLE GENE DAVIDSON

TENNESSEE GENERAL ASSEMBLY

I am Gene Davidson, a member of the Tennessee General Assembly and a farmer. In my official capacity in the General Assembly, I am a 16 year veteran of Finance, Ways and Means, and chairman of the House Education Committee and serve as Joint Chairman of the Select Oversight Committee on Education.

I am a resident of Robertson County which is a county adjacent to Metro Davidson County. During my tenure in the General Assembly I have seen the area which I represent emerge from a rural county to now a suburban county.

The needs of the area of Robertson and Cheatham county have changed over the years quite dramatically. With growth we have faced new challenges as you can quite imagine. Some of the challenges we have been able to handle, while others we as an area have not been as successful.

Our area infrastructure has to be improved. There are areas of the district I represent that are stymied by the fact that they cannot afford to implement sewage systems, or expand existing sewage systems. The same is true with existing water systems that cannot handle the growth. Our local governments and the state can only afford a limited degree of expansion because of demands that have arisen due to growth and transferred responsibilities. Environmental legislation, while although beneficial, has placed new financial burdens on infrastructures.

Alas, yes transportation. Transportation is without saying perhaps the most important link that we all have to the rapidly changing world.

Our state has tried to improve the highway systems all across this fair land. As you well know it is a timely and costly proposition. In many instances our effort has been behind development, especially in rural areas and suburban areas.

Highway development in the district that I represent has run into many obstacles. Many of those obstacles were in fact the relocation of portions of our infrastructure such as water lines and sewage lines. The local governments could not afford to relocate these systems because of the cost. To further compound the problem, there was the absence of a structure in place to iron out these difficulties of state versus local conflicts. It is a take it or leave it proposition.

We in the hinterlands are also faced with the problem of a coordinated effort to link our highway systems as far as improvements with the larger metropolitan areas. With the larger cities faced with their respective traffic flow problems, there has been little inititiative on the part of larger metro areas to join in a united effort with satellite areas to address the needs to the outlying suburban areas in making access easier. A case in point in the district I represent is Highway 431.

We in the areas surrounding Davidson County recognize the need for a northern beltway around Nashville linking Interstates 40, 24, and 65. All of these arteries are heavily traveled and all end up at square one which is Nashville thus creating a major bottleneck. The situation is terrible today and by the year 2000 will be disastrous unless something is done.

The project, I-840 North, is too costly for the State to take on alone. In this situation we must have Federal assistance.

In summation, I bring to you for your information two points already alluded in my statement. First, we need assistance or advice in coordinating projects. Second, we need Federal assistance at least at the current rate of funding. Without it our existing infrastructure will crumble even further and new programs and projects will die on the vine.

I know of the budget woes that you face daily in Washington. However, the money that you spend on the highway system in this country equates into more jobs for developing communities. More jobs equates into more tax revenue.

Thank you very much.

U.S. House of Representatives
Committee on Public Works and Transportation

December 7, 1990

Statement of

Ron E. Gant
President

Tennessee Trucking Association, Inc.

Mr. Chairman, Members of the House Public Works and Transportation Committee, welcome to Tennessee. Thank you for this opportunity to present testimony before the Committee. The subject of today's hearing, the nation's and more explicitly Tennessee's infrastructure needs, is one of paramount importance to the trucking industry, but even more fundamentally to our nation, its people and our way of life.

The economic health of Tennessee is vitally linked to trucking. A quick view at some of the more basic facts concerning the industry in Tennessee will underline trucking's prominent role in Tennessee's economy. According to the 1988 data, the industry:

- Employed more than 150,000 persons
- Had payroll in excess of $2.8 billion
- Serves all of Tennessee's populated communities, 75% of which have no other commercial transportation
- Had a growth of 15,700 jobs from 1985 to 1987
- Paid over $500 million in state and federal highway taxes-nearly $10 million a week
- While heavy trucks constitute only 1.4% of all vehicles registered in Tennessee, they paid 38.9% of all highway user taxes
- Heavy trucks paid 45 times the state and federal highway taxes of the average car in Tennessee
- Trucks hauled over 70% of the manufactured goods transported into and out of Tennessee.

Our nation and more specifically Tennessee has been well-served by the Federal aid highway program which has provided for the development of our national highway system. Keeping in mind Tennessee's location within one day's drive of 70% of the nation's population, Tennessee has become a distribution center that has greatly benefited from the interstate and the federal highway systems. In addition, Tennessee has undertaken an aggressive road program to ensure access to and from the interstate system for all Tennesseans.

Yet with all of the system development undertaken, we do not today have the plan in place to meet our highway infrastructure needs into the 21st Century. The new Federal highway program to be addressed in 1991 must use as its foundation the National System of Interstate and Defense Highways and major primary highways of significance. This system must be complimented with arterial routes for access.

This "new system" of highways, referred to as the Highways of National Significance, must be upgraded in design and construction to carry the increased volume of traffic including a major portion of the commercial traffic in Tennessee and the nation. In addition, there must be continuing federal support for those routes not on the National system, as these routes often are the origination and terminal routes for many shipments which will use the National system.

Of major concern to Tennessee trucking firms has been the policy of building balances in the Highway Trust Fund for Federal budget deficit reduction purposes. This policy has ensured that we have neglected necessary new road projects and have failed to maximize our maintenance of the existing system. We must not continue a policy of collecting a user fee for a specific purpose and then fail to expend it for the purpose for which it was collected where there is demonstrated need. It is the position of the Tennessee Trucking Association that the Trust Fund should be "spent down" and that the 2.5 cent Deficit Reduction fuel/gasoline tax be turned over to the Trust Fund in 1995. Only then will the concept of a user fee be restored. And, while we are at it, under the user fee concept, why not abolish the current exemptions for gasahol? Users are users, regardless of the type of fuel, and all gaschol users should financially support our highway system's development and maintenance at the same level as fossil fuel users currently do.

Also at focus here is the increasing pressure to divert user fee/Trust Fund dollars for non-highway purposes. This once again attacks the fabric of the user fee concept and is one to which we as an Association and industry are opposed. We must first see the financing mechanism that was built our road system not become used for other purposes, regardless of worthiness, prior to increasing taxes.

And, where does the Tennessee Trucking Association stand on the issue of increased federal fuel taxes next year? Until the current Trust Fund balance is drawn down and the aforementioned 2.5 cents is turned over to the Trust Fund, the membership remains steadfastly opposed to any fuel/gasoline tax increase.

The Tennessee Trucking Association is concerned about the most cost effective application of highway tax dollars. In this vein, we would suggest that increased attention be given to the studies which indicate a disproportionate increase in life expectancy of highways with thicker pavements. The American Association of State Highway and Transportation Officials (AASHTO) reports that one additional inch of concrete pavement doubles the strength of the pavement and the life expectancy as well. Yet the cost of that 1 inch adds only 4% to the construction cost and less than 1% to the total project costs on the average rural interstate.

Carrying pavement thickness to 14" from the traditional 10" would yield eight times the durability while adding only 2% or less to the total construction costs. Why not use this technology to increase the long term value of the highway user tax dollar which we in the industry like to view as a capitol investment not unlike others which we make.

The subject of increased truck productivity is one that is receiving intensified attention as the Highway Reauthorization deadline approaches. The Tennessee Trucking Association believes that there are two productivity elements which merit serious consideration. Both are part of the report to Congress earlier this year by the Transportation Research Board. Those items are:

- The allowance of states to permit weights above the 80,000 pound threshold with permit fees commensurate with the associated additional costs; and
- A liberalization of the federal bridge formula to benefit trucks with shorter wheel bases.

A secondary development from these two recommendations would be the probable addition of axles on the traditional five axle tractor/semi trailer combination vehicle which would result in increased productivity without changing current axle limits. The positive impact upon costs and the environment would be substantial.

There is one other topic of major importance that must not be ignored as we plan for the future. Safety on our nation's highways, especially in commercial vehicles, has increased substantially in the past ten years. Fatality rates have declined significantly. The federal-state commercial safety enforcement program known as the Motor Carrier Assistance Program is a major factor and must receive additional funding for inspectors and training. In addition, increased commitment to research on safety design factors and driver performance will pay dividends not only to the trucking industry but also to the general motoring public.

In conclusion, the Tennessee Trucking Association believes that deliberate consideration of all of the objective factors on the issue must be the foundation of the Highway Reauthorization Act of 1991. A strong national highway system funded primarily on the federal level without shifting the responsibility to state and local governments is in the best interest of transportation in this state and nation. When one takes the broader view that our economy is certainly transportation dependent and international in scope, the dynamics increase, but so should the commitment for practical solution. We commend the House Committee on Public Works and Transportation for coming to Nashville and seeking Tennessee's view on this very important topic of consideration by the Congress in 1991.

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

NASHVILLE, TENNESSEE

DECEMBER 7, 1990

BY MS. GWEN HOPKINS

INFORMATION OFFICER

TENNESSEE DEPARTMENT OF TRANSPORTATION

Good afternoon, Chairman Anderson, Congressman Clement and members of this committee. Thank you for the opportunity to address you on behalf of the Tennessee Department of Transportation, on a matter of very grave concern to me, and to the citizens of this state.

I regret that I am unable to appear before you in person, but I am on my way to attend the annual meeting of the American Association of State Highway and Transportation Officials, an organization of appointed and elected leaders like myself who represent the Transportation Departments from all 50 states. At that meeting, we'll be discussing a number of transportation issues, and attempting to fine-tune a platform of recommendations intended to assist you and your colleagues next year as you begin planning for the reauthorization of a new national Surface Transportation Act.

As a state transportation official, I must tell you that the 5-cent federal gas tax increase, which took effect last Saturday, was a bittersweet pill to swallow. The decision to increase 1991 spending levels by more than $2 billion, and drawing off some of the more than $10.5 billion that's in the Highway Trust Fund, is commendable.

But all -- not half -- of the 5-cent increase should be dedicated to transportation needs. As a nation, our highways need to be maintained, our bridges are old and in need of rehabilitation and replacement, even many of our interstates are rapidly becoming worn and out-dated. To keep up the current system, we'll need $80 billion. Tennessee is united with the other 49 states in the belief that the federal government should share more of the burden, spend down more of the Highway Trust Fund monies, and dedicate highway user fees to transportation and nothing else.

Tennessee has one of the highest state gasoline taxes in the country -- at 20 cents per gallon. The Department of Transportation receives nearly 61 percent of those revenues. Most of the remainder goes to city and county governments. We've increased our state gas tax twice in the past four years -- the total amount of 8 cents per gallon -- in order to pay for a 13-year, $3.3 billion road-building and improvement program. We have highway construction projects underway literally from one end of this state to the other.

But that program only addresses needs on Tennessee's primary system. Our interstates are suffering from wear and tear and, especially in many of our urban areas, are operating beyond capacity. This is happening at a time when we've seen our annual allocation of 4-R money seesaw -- in FY 1987, Tennessee received $72.4 million; the following year it dropped to $61.3 million. Since then, it's been creeping up slowly to our current balance of $63 million. Next year, we anticipate getting $63.7 million toward the upkeep of a little over 1,100 miles of interstate highways in Tennessee.

An area where we've seen a more dramatic pattern of funding reductions and inadequacy is our bridges. Like most other states, Tennessee's primary funding source for rehabilitating and replacing bridges is the Federal-Aid Bridge Replacement Program. In just three short years, we've seen this program cut $16 million, from $50.2 million in FY 1988 to $34.2 million this year.

Unfortunately, we in Tennessee know first-hand what can happen when too-little funding is spread dangerously thin. On April 1, 1989, a 50-year-old bridge on U.S. 51 over the Hatchie River collapsed, claiming the lives of eight Tennesseans.

Since that tragedy, the State of Tennessee has looked for ways to shore up our efforts in bridge safety, and fill in the gap left by reduced federal bridge money. Early this year, Governor McWherter announced a new off-system bridge program to assist local governments in the maintenance and replacement of their bridges. Our Legislature approved first-year funding for this 10-year, $100 million program, and it became effective on July 1. The Department let the first replacement contract under this program on August 30.

Of Tennessee's 18,711 bridges, more than half are off-system bridges. We believe that between 150-175 deficient local bridges can be repaired annually with this new program, and that's a step in the right direction.

Under our Federal-Aid Bridge Replacement Program efforts, we are working to systematically address needs on bridges that are too narrow and that are posted for lower load limits.

Our current budget includes $7.5 million more for contract bridge repairs, and we have hired outside consultants to supplement the work of our in-house personnel in preparing repair plans. This will enable us to let more repair contracts for bridges this year than last year.

Like other states, Tennessee has had to begin searching for ways to make up for the increasing shortfall in federal funds. State and local governments now shoulder 78 percent of this country's total highway spending, as compared to the federal's contribution of only 22 percent.

As Congress begins preparing for reauthorization next year, strong consideration should be given to providing immediate increases in Federal-Aid Bridge Replacement, Interstate 4-R and every other federally funded program.

Perhaps the single most important change I would like to see in the new transportation act for 1991 is the so-called "Minimum Allocation" provision. As you know, this provision was included to ensure that each state receives no less than 85 percent of the money it pays into the Highway Trust Fund. The problem is discretionary monies, emergency relief, demonstration projects and such are counted against the minimum allocation apportionment. Tennessee is a "donor" state, meaning we pay more into the Highway Trust Fund than we receive back through federal apportionments. When a discretionary bridge grant, or emergency relief funds are counted in with our minimum allocation, it means we're not really getting our fair share. States that are not "donors" are not penalized in this way when they get discretionary monies.

Funds received through special grants should be in addition to federal funds we are entitled to through regular apportionment formulas. Tennessee would like to see the guaranteed minimum return to states be in the 90-to-95 percent range in the new legislation, with no penalty for any additional special funding which might be received. I have already contacted each member of Tennessee's Congressional delegation to ask for their assistance in correcting this inequity, and today, I'm respectfully asking the members of this Committee to give it strong consideration, as well.

The national association I mentioned a moment ago -- AASHTO -- estimates we will need $100 billion to meet increased demands and point us in the right direction for a prosperous future. Any further diversion of highway user fees, and further delay in releasing monies accumulated in the Highway Trust Fund, deprives our nation's transportation system of badly needed revenue. Enactment of a new Surface Transportation Act -- with fair and equitable distribution for all 50 states -- should be at the top of the Congressional agenda next year.

Thank you for your time, and again, for the opportunity to address you here today.

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
NASHVILLE, TENNESSEE
DECEMBER 7, 1990

BY DANIEL D. LANE, CHAIRMAN
METROPOLITAN TRANSIT AUTHORITY
METROPOLITAN DAVIDSON COUNTY

THANK YOU FOR THE OPPORTUNITY TO DEFINE THE PROSPECTS OF TRANSIT IN THE FEDERAL REAUTHORIZATION OF SURFACE TRANSPORTATION.

IN THE LAST THIRTY YEARS, THE NASHVILLE AREA SURFACE TRANSPORTATION SUPPLY HAS BEEN PERMANENTLY CHANGED BY THE CONSTRUCTION OF INTERSTATE HIGHWAY SEGMENTS I-24, I-65, I-40

AND I-440. DURING THE THREE DECADES OUR POPULATION, EMPLOYMENT, AND ECONOMY HAVE DOUBLED.

DURING THE NEXT THIRTY YEARS, THE POPULATION, EMPLOYMENT AND ECONOMY OF THIS REGION WILL ONCE AGAIN DOUBLE. DESPITE EXTENSIVE INVESTMENT IN NEW HIGHWAYS, THE SURFACE TRANSPORTATION CAPACITY EXPANSION OF THE PAST THREE DECADES WILL NOT BE DUPLICATED IN THE COMING THIRTY YEARS.

URBAN AND SUBURBAN MOBILITY CAN AND MUST BE PRESERVED. AIR QUALITY MUST NOT BE SACRIFICED. ENERGY CONSUMPTION PER PASSENGER MILE MUST BE DRASTICALLY REDUCED.

YOU WILL HEAR A GREAT DEAL OF TESTIMONY REGARDING THE AMOUNT OF HIGHWAY SUPPLY INVESTMENT WHICH IS ESSENTIAL TO OUR NATION. YOU WILL HEAR A SMALLER QUANTITY, BUT NO LESS IMPASSIONED APPEAL FOR GREATER SUPPLY OF

TRANSIT DURING THE PERIOD OF THE NEXT REAUTHORIZATION.

WE RESPECTFULLY ARGUE FOR A DIFFERENT APPROACH. TRANSPORTATION SOLUTIONS REQUIRE MORE COMPREHENSIVE APPROACHES THAN MORE CONCRETE OR MORE RAIL. DURING THE NEXT DECADES PRESERVATION OF OUR ECONOMIC COMPETITIVENESS WILL DEMAND IMPROVEMENT NOT MAINTENANCE OF CURRENT MOBILITY STANDARDS. OUR FEDERAL SPENDING REALITIES WILL NOT ALLOW LARGE INCREASES IN REAL SPENDING. RATIONALLY PROJECTING OUR NEEDS AND CAPABILITIES, GREATER MOBILITY MUST BE SQUEEZED FROM FEWER REAL DOLLARS. COMPREHENSIVE MOBILITY SOLUTIONS MUST COMBINE THE FOLLOWING:

MORE FREEWAYS
MORE TRANSITWAYS
MORE RAIL LINES
MORE HIGH CAPACITY VEHICLES
SMARTER ROADWAYS
GREATER DESIGN FOR PEDESTRIAN MOVEMENT
CAREFUL URBAN DESIGN
BALANCE OF HOUSING AND EMPLOYMENT

IN A CONSTANT ENVIRONMENT THESE SOLUTIONS WOULD BE DIFFICULT; IN AN ENVIRONMENT OF LESS PETROLEUM AND GREATER POLLUTION THIS CHALLENGE IS FORMIDABLE. DEBATE OVER TRANSPORTATION SUPPLY MUST ALSO EVALUATE TRANSPORTATION DEMAND AND URBAN FORM.

ENERGY AND AIR QUALITY

ANDREW KIMBRELL OF THE FOUNDATION OF ECONOMIC TRENDS STATES:

> "IN THE UNITED STATES ALONE, WE COULD SAVE 33 MILLION GALLONS OF GASOLINE EVERY DAY AND SIGNIFICANTLY REDUCE AIR POLLUTION IF THE AVERAGE COMMUTER PASSENGER LOAD WERE INCREASED BY ONE PERSON."

THE C.A.F.E., CORPORATE AVERAGE FUEL ECONOMY, TARGETS HAVE RECEIVED WIDE SPREAD ATTENTION. CERTAINLY, INCREASING THE C.A.F.E. AT THE MANUFACTURER LEVEL IS A PART OF OUR ENERGY

CONSUMPTION RESPONSE. BUT INCREASING THE C.A.F.E. 50% REQUIRES EITHER TECHNOLOGICAL CHANGES OF A MAGNITUDE DIFFICULT TO ACCEPT BY MANUFACTURERS, OR A SHIFT IN PRODUCT MIX TO SLOWER, LIGHTER WEIGHT AUTOMOBILES. NEITHER ARE EXTREMELY POPULAR.

WE MAY MAINTAIN OUR LOVE AFFAIR WITH THE SPIRITED AUTOMOBILE IF WE MODIFY THE INCENTIVES TOWARD ITS USE. IN SAN FRANCISCO, PRIVATE SECTOR LEADERS HAVE CALLED FOR A POLLUTION TAX. BY INJECTING MARKET FLEXIBILITY RATHER THAN REGULATORY MANDATES TO THE REDUCTION OF AUTOMOBILE EMISSIONS, SOME CONSUMERS WILL OPT FOR HIGHER TAXES, SOME FOR RIDESHARING, AND SOME FOR NEW POLLUTION ABATEMENT TECHNOLOGY. FROM A PUBLIC FINANCE PERSPECTIVE, POLLUTION TAXES ARE A MOST LOGICAL SOLUTION TO PRICING THE NEGATIVE EXTERNALITIES ASSOCIATED WITH REDUCED AIR QUALITY. TRANSIT PROVIDERS ARE OFTEN CALLED TO DEFEND THEIR "SUBSIDIES." YET CURRENTLY, THE COST OF OUR DECAYING AIR IS CHARGED TO NO

ONE. THE COMMON PERCEPTION IS THAT FUEL TAXES PAY FOR ROAD CONSTRUCTION. THE AVERAGE CITIZEN BELIEVES THAT ROAD USERS ARE NOT SUBSIDIZED BY GOVERNMENT SPENDING.

THE CONSERVATIVE DILEMMA, AS GEORGE WILL PUT IT, IS THAT THE SOLUTION TO CONGESTION IS MORE FREEWAYS, BUT THE TEMPORARY CONGESTION EASE REQUIRES GREATER TAX BURDENS, AND IN THE END IS MET BY RENEWED CONGESTION.

IT SEEMS THAT DURING EACH ENERGY CRISIS OUR NATION REDISCOVERS BASIC TRANSPORTATION ENERGY FACTS. BUT DURING THE LAST TWO ENERGY CRISES, THE END OF THE TEMPORARY SHORTAGE MEANT THE END OF POLITICAL COMPULSION FOR IMPROVEMENT. THIS TIME THINGS ARE DIFFERENT. FIRST, ONE HALF MILLION TROOPS ARE AT RISK. SECOND, GLOBAL WARMING AND HEALTH IMPLICATIONS OF POOR QUALITY AIR SUCH AS THAT OF LOS ANGELES LEAD RATIONAL, MODERATE VISIONS IN A NEW DIRECTION.

UNDER NORMAL LOADING CONDITIONS, NOT CAPACITY LOADING CONDITIONS, THE SINGLE OCCUPANCY AUTOMOBILE GENERATES 21 KILOGRAMS OF HYDROCARBONS, 151 KILOGRAMS OF CARBON MONOXIDE AND 21 KILOGRAMS OF NITROGEN OXIDES DURING 10,000 PASSENGER MILES. IN THE CASE OF CARPOOLS THE HYDROCARBONS ARE REDUCED TO 7 KILOGRAMS, CARBON MONOXIDE TO 50, AND NITROGEN OXIDE TO 7. BUS TRANSIT YIELDS 2 KILOGRAMS OF HYDROCARBONS, 31 KILOGRAMS OF CARBON MONOXIDE, AND 15 KILOGRAMS OF NITROGEN OXIDES FOR THE SAME PASSENGER TRAVEL. RAIL TRANSIT, THE MOST ENERGY AND AIR EFFICIENT, YIELDS ONE TENTH OF ONE KILOGRAM OF HYDROCARBONS, TWO TENTHS OF ONE KILOGRAM OF CARBON MONOXIDE, AND 5 KILOGRAMS OF NITROGEN OXIDES.[1]

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1 AMERICAN PUBLIC TRANSIT ASSOCIATION, MASS TRANSIT, THE CLEAN AIR ALTERNATIVE, 1990, WASHINGTON, D. C.

THE ENERGY AND AIR QUALITY IMPACTS OF OUR URBAN AND SUBURBAN LIFE ARE PUT IN MOST CLEAR PERSPECTIVE BY COMPARING ENERGY CONSUMPTION IN CITIES OF MUCH DIFFERENT FORM. LOS ANGELES, DENVER, PHOENIX, AND HOUSTON ARE AMONG THE WORST ENERGY CONSUMERS PER CAPITA. NEW YORK, CHICAGO AND BOSTON ARE IN A DIFFERENT STRATUM OF ENERGY USE PER CAPITA. ZURICH, BERLIN, AND VIENNA ARE IN STILL ANOTHER. THERE IS NO COINCIDENCE IN THESE PATTERNS. THE LATTER STRATA WERE LARGE URBAN CONCENTRATIONS BEFORE THE AUTOMOBILE. THE MIDDLE STRATA WERE SIGNIFICANT CITIES BEFORE THE AUTOMOBILE WAS POPULARLY ACCESSIBLE, BUT HAVE GROWN A GREAT DEAL SINCE. THE "MODERN" CITIES SUCH AS HOUSTON AND LOS ANGELES HAVE EXPERIENCED THE PREDOMINANT PORTION OF THEIR GROWTH SINCE THE AUTOMOBILE DESIGN FEATURES OF AMERICAN LIFE BECAME COMMON.

THE DESIGN OF OUR CITIES IS A MORE IMPORTANT PART OF THE SOLUTION THAN ANY BUDGET DECISION BETWEEN HIGHWAYS AND RAILS. THE AUTOMOBILE IS A SYMBOL OF FREEDOM OF CHOICE IN MOVEMENT, BUT THERE IS NOTHING EXALTING ABOUT A TRAFFIC JAM. THE AUTOMOBILE MAKES LIFE MORE PRODUCTIVE FOR MILLIONS OF AMERICANS, YET THERE IS NOTHING PRODUCTIVE ABOUT THE TWO BILLION HOURS A YEAR WHICH ARE WASTED IN TRAFFIC CONGESTION. CAR TELEPHONES HELP US COPE, BUT BETTER DESIGNS FOR CITIES ARE MORE THAN BAND-AID SOLUTIONS.

THE HIGHWAY BUILT TODAY EASES CONGESTION TODAY AND REKINDLES CONGESTION TOMORROW. BUILDING CITIES IN WHICH PEDESTRIANS ARE FOREMOST, IN WHICH COMMUNITIES ARE NOT DIVIDED BY NOISY DANGEROUS ROADWAYS ENABLES US TO USE LESS ENERGY, PRESERVE OUR MOBILITY AND OUR ENVIRONMENT.

INFRASTRUCTURE INVESTMENT

WITHIN THE FEDERAL BUDGET ALL SPENDING IS CONSTRAINED. THE NATIONAL COUNCIL ON PUBLIC WORKS IMPROVEMENT RECOMMENDS THAT FEDERAL SPENDING ON INFRASTRUCTURE FACILITIES BE BOOSTED TO $100 BILLION PER YEAR.

DAVID ASCHAUER, SENIOR ECONOMIST, FEDERAL RESERVE BANK OF CHICAGO, CONTENDS THAT PRODUCTIVITY GROWTH IN THE UNITED STATES HAS DROPPED TO 0.7 PERCENT COMPARED TO 2.9 PERCENT IN WEST GERMANY AND 3.1 PERCENT IN JAPAN. HE FURTHER ARGUES THAT THIS PRODUCTIVITY DECLINE IS RELATED TO THE DECREASED RATE OF ACCUMULATION OF PUBLIC CAPITAL. ASCHAUER QUANTIFIES THE EXTENT TO WHICH UNDER-INVESTMENT HAS CAUSED THE PRODUCTIVITY SLOW DOWN. SIXTY PERCENT OF THE PRODUCTIVITY SLUMP MAY BE ATTRIBUTED TO NEGLECT OF OUR CORE INFRASTRUCTURE.

THE IMPACT OF FEDERAL INVESTMENTS IN OUR HIGHWAYS AND TRANSIT FACILITIES HAVE INDEED SHAPED THE ECONOMIC COURSE OF OUR NATION. IT IS DIFFICULT FOR US TO GET SCHOOL CHILDREN TO IMAGINE AN AMERICA BEFORE FREEWAYS.

FOR THE FUTURE

MISTER CHAIRMAN, MEMBERS OF THE COMMITTEE, WE IMPLORE YOU:

- ESTABLISH A STRONG MULTIMODAL EMPHASIS IN PLANNING, FUNDING, AND DECISION MAKING.
- RECOGNIZE THE ECONOMIC IMPACT OF REDUCED AIR QUALITY THROUGH A TAX ON POLLUTION.
- SUBSTANTIALLY INCREASE THE FEDERAL INVESTMENT IN OUR NATION'S SURFACE MOBILITY. IN THE URBAN AND SUBURBAN REGIONS THIS INVESTMENT MUST INCLUDE BALANCED DEVELOPMENT OF NEW HIGHWAYS, RAIL TRANSIT, TRANSITWAYS, BUSES, AND OTHER HIGH OCCUPANCY VEHICLE STRATEGIES; INTEGRATION OF "SMART ROADWAY" SOLUTIONS TO

MAXIMIZE THE MOVEMENT OF PERSONS RATHER THAN VEHICLES; AND BALANCED DEVELOPMENT OF OUR COMMUNITIES SUCH THAT HOMES AND JOBS ARE NEAR ONE ANOTHER, PEDESTRIANS ARE NOT SECOND PRIORITY, AND CLUSTERS OF DEVELOPMENT BRING FUNCTIONS CLOSER TOGETHER.

- INCREASE THE EMPHASIS ON FORMULA FUNDING VIS-A-VIS DISCRETIONARY FUNDING.
- ELIMINATE THE PERENNIAL DISPARITY IN IRS TREATMENT OF EMPLOYER PROVIDED FRINGE BENEFITS. TAX PARKING OFFERED BY AN EMPLOYER.
- REQUIRE CLOSER INTEGRATION OF TRANSPORTATION INVESTMENTS AND LAND USE DECISIONS.

FOR THE NEXT THREE YEARS, THE RULES OF THE BUDGET BATTLES HAVE CHANGED. MODERATE INCREASES IN FEDERAL FUNDING ARE POSSIBLE AND PROBABLE DUE TO THE BUDGET ENFORCEMENT ACT OF 1990. LIFTING THE SUBCATEGORY LIMITATIONS ALLOW MORE FLEXIBILITY THAN WE HAVE WITNESSED IN THE PAST FIVE YEARS.

BUT THE BROADER ANALYSIS IS THE DIRECTION OF OUR NATION'S INFRASTRUCTURE FOR THE NEXT SEVERAL DECADES. YOUR DECISIONS WILL SHAPE THAT INVESTMENT. AND THAT INVESTMENT WILL SHAPE OUR NATION.

THANK YOU.

Testimony
Robert C.H. Mathews,
Chairman, Long Range Planning Committee
Board of Commissioners of the
Metropolitan Nashville Airport Authority

Before

The Public Works and Transportation Committee
United States House of Representatives
Nashville, Tennessee
2:00 P.M., Friday, December 7
Legislative Plaza, Rooms 12 and 14

Mr. Mathews:

Thank you Mr. Chairman.

My name is Robert Mathews. I am the chairman of the Long Range Planning Committee of the Metropolitan Airport Authority. The Authority operates Nashville International Airport and General Aviation and Reliever Airports in the Middle Tennessee area.

With me today is General William G. Moore, President of the Authority. Following my remarks, General Moore and I will be pleased to answer any specific questions you may have.

I want to express the sincere gratitude of the people of the Middle Tennessee region for the outstanding work of this committee. You have enabled us to establish improved air transportation services for personal and business travelers, and for the shipment of cargo.

Most particularly this community recognizes the leadership role of our Congressman, Bob Clement. We are grateful to him.

The capacity of our nation's airports is today a major domestic and international issue. The facilities at airports in major markets such as New York, Chicago, Atlanta, and Dallas are presently operating at capacity. This requires that regional hubs respond to national demand. This increased use, in turn, demands that regional airports build additional infrastructure. Thus, the funding for infrastructure projects at regional airports is an urgent and pressing need.

The Metropolitan Nashville Airport Authority recently submitted to the Federal Aviation Administration (FAA) a detailed request for an FAA Letter of Intent for approximately $180 million to be used for infrastructure, for noise mitigation, and for other FAA approved projects at Nashville International Airport. Importantly, these projects received almost unanimous approval by local legislative and regulatory agencies, prior to being submitted to the FAA. When completed, this new infrastructure will permit the expansion of American Eagle commuter services to communities in our region and the expansion of the

American Airlines Hub, at Nashville. This expansion will provide needed access to additional markets in every region of the United States.

We submit to you today that the needs of Nashville are essentially the same as the needs of other regional hubs, and I urge you through this committee to do everything possible to assist the FAA in meeting these needs. Ours is a national system of aviation, and delays at one airport as a result of capacity problems have an impact on other airports in our nation.

The issue of aircraft noise over neighborhoods that surround airports is very important to the development of air transportation infrastructure and services throughout the United States. Cities like Nashville are responding to neighborhood concerns about noise with the aid of FAA funding. This work by local communities is to be commended. There is, however, a developing inconsistent pattern of local regulations throughout the nation. This lack of consistency threatens the efficiency and limits the potential of our domestic and international air transportation system. In previous testimony before Congress, General William G. Moore spoke for the Nashville Airport Authority in urging a National Noise Policy which offers fair and equitable solutions to homeowners concerns about noise. This policy should emphasize the speedy implementation of stage 3 aircraft which operate more quietly and efficiently.

Today I would like to re-emphasize the need for National Noise Policy. Failure to implement such a policy will have serious long-term impact on the ability of our national and international air transportation system to function as it should.

My third point today is to urge this committee to take an activist role in supporting the establishment of international gateways at regional hubs like Nashville. This city recently completed a study to determine its capability to compete for international routes. The study concluded that Nashville is in a favorable position in the international arena. We have a centralized geographic location, service by the American Airlines hub and by other major carriers, and numerous economic and cultural attributes. Our capabilities include the potential for expanded freight services supported by our existing ground, water and rail transportation network.

The addition of international passengers who travel for personal, business and tourism offers significant economic incentive for Nashville International Airport and the region it serves. The ability of this community to attract international service is, however, seriously inhibited by existing bi-lateral agreements that govern international air transportation. This is also the case for every community seeking international service.

In January of 1990, the Federal Department of Transportation took a major step to permit greater access to regional markets by domestic and international air carriers. It is now apparent that recent developments in the political, economic and cultural structures of the world, particularly in Western and Eastern Europe, will have long-term implications for air transportation between nations. This emphasizes the need for Congress to urge the Department of Transportation and the Department of State to take major steps during the coming months to accelerate the granting of routes between foreign markets and domestic regional gateways.

All of this is to suggest that our national and international air transportation system is vital to this nation's economic and cultural well being. Additionally, we at the Airport Authority are very aware that air transportation does not operate in a vacuum. Air transportation, in fact, relies upon other modes of transportation within our region. Our goal is that of a fully integrated, comprehensive, state-of-the-art intermodel transportation system. The quality and capability of other modes of transportation are directly related to the ability of air transportation to function. Let me site two examples. First, our recent International Air Transportation Study clearly points out that Nashville's central geographic location makes it very attractive for passengers and for freight.

Passengers travel to Nashville and then to other points for the purposes of business and tourism. Secondly, freight can be shipped into Nashville and distributed to other areas of our region by rail, water and air. The addition of international travel simply increases the importance of other modes of transportation.

Recognizing the important mission of this committee in Congress, I would be remiss if I did not emphasize that attention to all modes of transportation is vital to our region. It is of great concern to this community that well documented problems with roads, rivers, bridges, airports, seaports and sewer systems have been found by your Committee. We urge that the concepts and funding necessary to achieve superior status in all modes of transportation should become a national priority. In addition to the basic needs for improved and new infrastructure, let me also suggest that regions like Nashville would benefit from futuristic thinking that incorporates rail access to and from communities surrounding urban cores. It is also my belief that we as a nation should allocate additional federal funds for legitimate research in the critical area of transportation by our nation's universities and colleges. It is now apparent that Nashville and its sister cities throughout the nation have unique opportunities to participate more fully in the full range of opportunities available through expanded domestic and international business and cultural activities. The extent of those opportunities is directly related to our government's commitment to air, ground and water transportation.

In closing, let me thank you again for coming to Nashville to hold these important hearings. We in this city have been the beneficiaries of your good work in the past, and you can expect our full support and confidence as you move forward in the future.

And now General Moore and I will be glad to answer any questions you may have.

REMARKS OF EMERSON MEGGS

ROBERTSON COUNTY EXECUTIVE AND PRESIDENT

GREATER NASHVILLE REGIONAL COUNCIL

I am Emerson Meggs, County Executive of Robertson County. I speak to you today in my role as President of the Greater Nashville Regional Council, a regional planning and economic development agency serving 13 counties and 50 cities in Middle Tennessee. Our Region has approximately 1.1 million people living in urban, suburban and rural communities.

Every few years the Council assesses the infrastructure needs of the Region as part of our overall economic development and regional planning. This year we updated this Regional Capital Improvements Plan. Local officials and citizens in each county met with the Council staff to identify the capital improvements needed in that county for the next five years. Those attending the meetings were people who would have the closest understanding of the needs, including county executives like myself, mayors, planners, road superintendents, public works directors, chamber of commerce leaders, and, of course, private citizens.

We looked at needs in seven different areas: housing, industrial sites, recreation, transportation, solid waste, water and sewer, and other facilities in support of economic development. The projects were almost all regional, meaning that they impacted two or more jurisdictions.

When we finished, we had amassed a list of over 800 different projects with a combined cost estimated to be nearly $4 billion dollars. Of those, transportation headed the list with 241 projects costing a total of $2.7 billion. Almost half of those projects, $1.2 billion, improve existing roads and bridges. Water and sewer was the next largest category, with over $500 million in improvements needed. Solid waste projects will cost another $95 million, almost three times what was needed four years ago, when we last inventoried the need.

This study documents the need for improvements in our infrastructure. Our region has experienced strong growth, especially in suburban areas. We have strained to keep up with that growth and the demands of the public. We have far more needs than resources to meet those needs.

These problems aren't just limited to Nashville and the suburban communities. Many of our rural counties also face roads that limit economic growth, water and sewer systems that serve too few and pollute too much, and new solid waste disposal requirements that cost far more. We need help to tackle these and other infrastructure needs that tax our all already over-burdened resources.

The Council is also involved in efforts to improve other forms of transportation. When one of the major railroads in this area abandoned parts of its branch lines to the outlying counties of Nashville, local governments stepped in to form short line railroads. The Cheatham County Rail Authority and the Nashville and Eastern Rail Authority have taken over rail lines that were allowed to deteriorate for years and are struggling to rehabilitate them. Their work is slow. The Federal Railroad Administration and the Tennessee Department of Transportation have assisted these groups, but a lot of work remains. These rail lines are vital lifelines to many companies and, consequently, to the communities. They haul raw materials and finished products today, but may someday carry commuters as well.

To solve some long-term traffic problems, we are planning to implement mass transit for the region. Studies warn that we cannot build enough roads to meet our needs. Our land is too valuable, our environment too important, our national interest in oil too vital to continue to depend on the automobile as our first means of transportation. We have established a regional transportation authority that will examine expanding the bus service from Davidson County into the surrounding counties, as well as making long-range plans for light rail service.

The bottom line, as always, is money. We have relied over the decades on the federal government to provide a substantial portion of the cost of major new roads. We now are bearing a greater portion at the state and local level. We still need the federal government to help fund those projects.

We are continually examining ways to get more use out of existing resources. We operated a demonstration regional ridesharing program for several years until a private company took it over. We were instrumental in setting up the southeast's first transportation management association in Brentwood, designed to use many strategies to reduce congestion in a suburban city.

Even with innovative programs, we still need those federal dollars. Each program I've mentioned today had federal transportation dollars as part of its seed funding.

We are planning for our future. We cannot and must not be short-sighted. As we strive to serve our citizens, we need the federal government as a strong partner in our efforts.

2354

REGIONAL CAPITAL IMPROVEMENTS BUDGET
OVERALL ECONOMIC DEVELOPMENT PROGRAM

FOR THE
GREATER NASHVILLE REGION OF
TENNESSEE

GNRC
GREATER NASHVILLE
REGIONAL COUNCIL

SEPTEMBER, 1990

What is the
GREATER NASHVILLE REGIONAL COUNCIL?

The Greater Nashville Regional Council, or GNRC, is a regional planning and economic development agency serving the 13 counties and 50 cities of upper Middle Tennessee. Created in the late 1960s as the Mid-Cumberland Council of Governments and Development District, the Council has evolved into a strong forum for local officials to plan for the future of the Region.

All of the Region's mayors and county executives govern GNRC through their membership on the Council. Other Council members include a state senator, a state representative and representatives of industry and minorities. Day-to-day activities are directed by a smaller executive committee. Staff members work closely with local officials in the Region, as well as state and federal agencies and officials.

GNRC plans for the continued orderly development of the Region through strong intergovernmental coordination and cooperation. Such efforts seek to avoid costly duplication of programs and facilities, to increase efficiency and effectiveness and to enhance the quality of life. The Council helps local governments implement those plans by identifying funding sources, applying for grants, developing public-private partnerships, and examining cooperative ventures.

GREATER NASHVILLE REGIONAL COUNCIL
STAFF

Maynard Pate, Executive Director*
Donna Ray Anthony, Public Guardian for the Elderly
Curtis E. Creekmur, Draftsman/Printer*
Larry Day, P.E., Senior Regional Planner
Sam H. Edwards, AICP, Director, Regional Planning*
Rick Fowlkes, Director, Area Agency on Aging
Patricia A. Griffith, Aging Program Specialist*
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Leanne C. Horne, Community Development Specialist
Janie T. Holland, Fiscal Specialist, Area Agency on Aging
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Lee Rice, Chief of Graphics and Reproduction*
Mary Ann Sparkman, Fiscal Officer
Annie Moore Trauernicht, Director, Research*
Catherine G. White, Fiscal Specialist, Area Agency on Aging
Mark Winfree, Small Business Loan Specialist

* Staff participating on this project.

EXECUTIVE SUMMARY

Local governments have long used capital improvements programming as a tool to link long-range planning with the budgeting of major construction projects designed to achieve their planning goals. The capital improvements plan compiles the community's major physical development needs, indicating each project's location, estimated cost, source of funding and schedule. The Regional Capital Improvements Program (RCIP) is similar in many ways to the local effort.

This document is organized around seven functional types of regional infrastructure projects: transportation, housing, recreational facilities, industrial site development, solid waste, water and wastewater systems, and other facilities supporting economic development. The lists cover capital improvement needs for the period FY 1991 through 1995.

The report focuses on regional impact projects affecting two or more jurisdictions that are necessary to support long-term economic development of the region. Some local projects are included because they were deemed necessary to support overall economic development.

Each project is noted by the year scheduled for funding. That schedule reflects, but does not completely indicate its relative need in that community. In the past, the Council ranked projects by priority within each functional area. That is no longer done because there are actually many priority projects in each category. Funding for those can often be pursued simultaneously. However, the Council may chose to determine the ten to fifteen highest priority regional projects in the future to help expedite them.

According to this study, the Greater Nashville Region will need $3,961,970,790 in improved infrastructure between 1991 and 1995. The table below shows the total broken down by the seven areas.

TOTALS BY TYPE OF PROJECT

Project	Total Costs By Project
Housing	$30,536,900
Industrial Sites	$74,590,440
Other Facilities	$439,861,750
Recreation	$103,037,500
Solid Waste	$95,900,000
Transportation	$2,729,835,560
Water and Sewer	$506,508,640
TOTAL	$3,980,270,790

A breakdown by county follows:

TOTAL COSTS BY COUNTY

COUNTY	TOTAL COSTS BY COUNTY
Cheatham	$34,553,400
Davidson	$905,831,000
Dickson	$383,227,000
Houston	$84,250,000
Humphreys	$263,565,200
Montgomery	$292,177,630
Robertson	$321,125,440
Rutherford	$368,284,800
Stewart	$149,164,000
Sumner	$311,897,660
Trousdale	$16,563,560
Williamson	$367,056,100
Wilson	$491,575,000
TOTAL	$3,989,270,790

Some projects listed in this report are primarily serve a local community; others serve more than one jurisdiction and are regional. The final table breaks down the total costs between the local and regional projects.

TOTAL COSTS BY TYPE OF PROJECT

PROJECT TYPE	TOTAL COSTS BY TYPE
Local	$49,501,020
Regional	$3,939,769,770
TOTAL	$3,989,270,790

GREATER NASHVILLE REGIONAL COUNCIL

1990-1991

OFFICERS

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BRIAN JOE SWEENEY, Vice President
BETHEL BROWN, Treasurer

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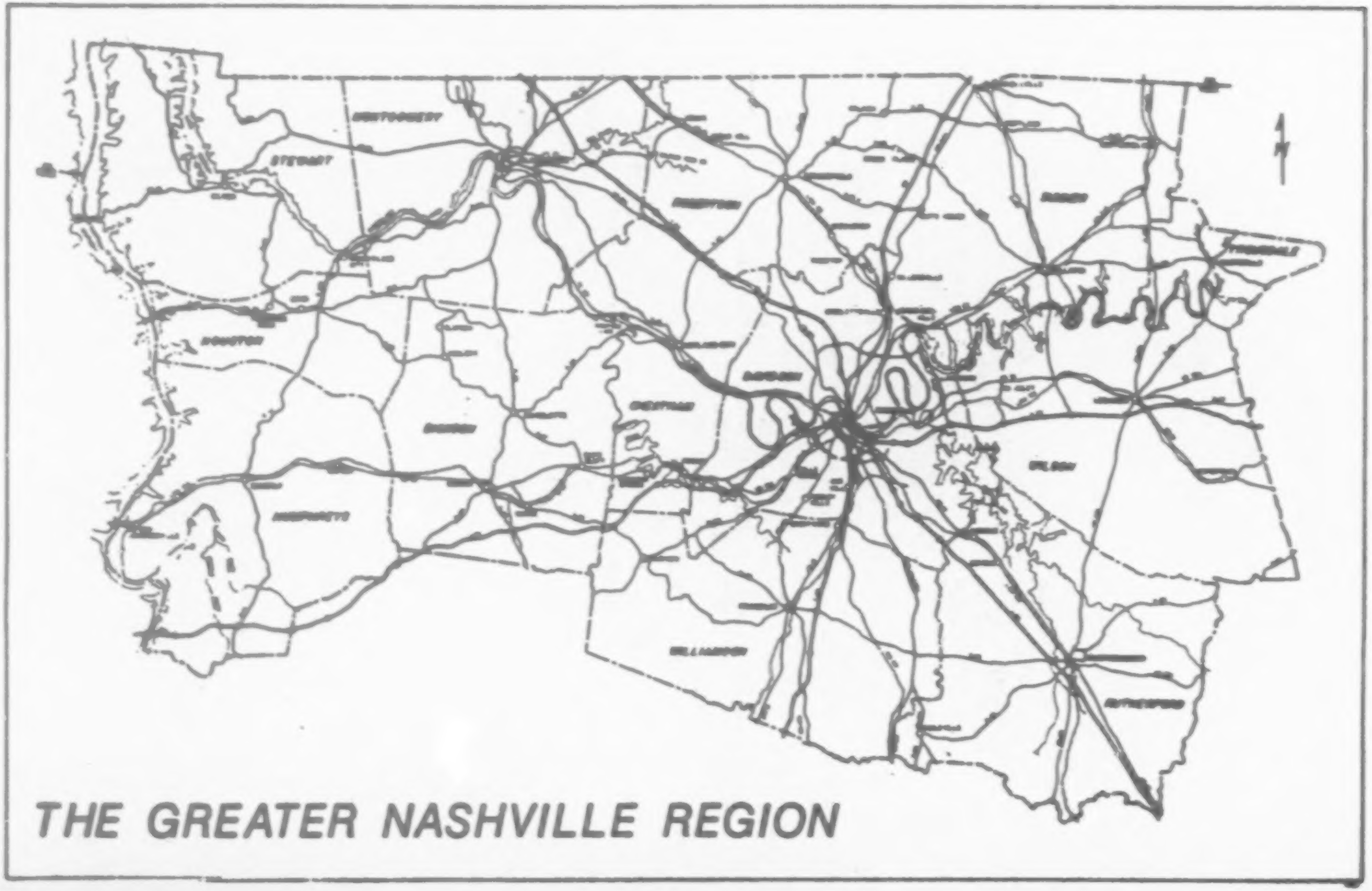
* Designated Alternate


MONTGOMERY
STEWART
ROBERTSON
SUMNER
TROUSDALE
HOUSTON
DICKSON
CHEATHAM
DAVIDSON
WILSON
HUMPHREYS
WILLIAMSON
RUTHERFORD

THE GREATER NASHVILLE REGION

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PREFACE

Regional councils, such as the Greater Nashville Regional Council were not established to be operational levels of government. Rather, their purpose is to assist local government officials in developing programs to deal with problems which cross local boundaries and to recognize regional needs and priorities in their own local efforts. In working to achieve this purpose, and to meet the requirements of many federal area-wide programs, regional councils adopt long-range plans and programs at the regional level.

The Regional Capital Improvements Program is one mechanism for carrying out the goals and objectives of the long range plan. The Council prepared this document as a means of increasing the effectiveness of the regional planning program. The Regional Capital Improvements Program (RCIP) provides the plan necessary to translate long-range (twenty-year) regional plans into five-year programs for local government implementation.

Capital improvements programs are also effective tools for encouraging economic development. This study identifies key infrastructure needs for each county to enable it to accomplish its overall economic goals.

ECONOMIC DEVELOPMENT GOAL

Achieve a viable, well-balanced economy throughout the region using available natural and human resources to their fullest potential and in the most efficient and effective manner.

Objective:
To increase the number of varied job opportunities throughout the region particularly in areas of high unemployment and/or low income.

Policies:

- new industrial/commercial sites are to be located near appropriate employee markets.
- public capital improvements beneficial to new industrial/commercial facilities are to be emphasized in areas of high unemployment and/or low income.

Objective:
To increase economic diversification in the region by attracting new types of job opportunities.

Policies:

- job training opportunities will be increased to provide a more diverse skilled employee pool.
- part-time job opportunities for senior citizens will be encouraged through active community recruitment and grant applications.
- active industry recruitment will center on bringing new types of businesses into the region.

Objective:
To increase and promote the recreation-tourism industry within the region.

Policies:

- public improvements supporting existing recreational-tourism areas or necessary for the development of new areas will be given priority consideration for funding.

--- from the *Mid-Cumberland Region Goals and Objectives 1980*.

ECONOMIC DEVELOPMENT PROGRAMS

Introduction

The Greater Nashville area has historically had a strong economic base. The mid-1980s saw development surge on the basis of significant achievements here: American Airlines' selection of Nashville as a hub and Nissan's and General Motors' decisions to build new automobile plants in Middle Tennessee.

By the end of the 1980s, the regional economy was slowing down, led by declines in real estate. Changes in the federal tax laws and overbuilding helped slow the economic engine. The *Wall Street Journal* recently described what happened in Nashville as a microcosm of the economic problems facing the United States in the 1980s.

Whatever happens in the national economy will affect Middle Tennessee. While the Region's economic diversity helps avoid the wide swings of many other regions, this area still reflects the overall national trends. Some forecasters predict a short recession; that would certainly not help the Region's recovery. However, the underlying base is strong enough to weather such downturns and recover. In the meantime, most local governments are mounting aggressive economic development programs.

Each county executive and mayor in the Region recognizes that a community will not attract and develop jobs for its people without the infrastructure to meet the needs of industry. Each also realizes that such resources alone are not enough to ensure economic growth. In every county, local leaders are pursuing ways to interest new companies to move to their community, encourage existing industries to expand, and help entrepreneurs develop new businesses locally.

The following discussion highlights some of the many efforts underway to enhance local economies. More and more, communities are cooperating regionally on programs and resources, an approach that will improve every community's opportunities.

Regional Issues and Activities

Partnership 2000

Historically, economic developers in the Nashville and other counties in Middle Tennessee have worked closely together in a symbiotic relationship. Nashville had the name and the urban resources needed to attract companies. The other counties had land, water, and labor to satisfy plants looking to be near a city. All benefited from a good relationship built over many years.

By 1988, the regional economy had begun to slow from the heady days of the mid-1980s. That year, leaders in the Nashville Area Chamber of

Commerce decided to push harder for economic growth. The business community set out on an aggressive plan to stimulate economic activity, called Partnership 2000.

Partnership 2000 is a four-year, $6 million regional economic development program sponsored by the Nashville Area Chamber of Commerce and funded by hundreds of Middle Tennessee businesses. The program works to build coalitions for growth among business, government and community leaders all over Middle Tennessee.

Partnership 2000 has included economic development leadership from throughout the Greater Nashville, South Central Tennessee and the Upper Cumberland Regions. These regional leaders serve on several committees, encouraging Partnership to keep a broad regional perspective.

Partnership 2000 is developing a strategic plan to retain and expand existing businesses and employment, attract new investments, and work to improve the quality of life in the region. Three measurable goals exist:

1. To assist in generating 40,000 new jobs.
2. To increase the market for goods and services by $1.7 billion.
3. To record $4 billion in combined residential and non-residential construction.

Through Partnership 2000, the Nashville Chamber is strengthening its programs for recruiting new companies and helping existing businesses, especially small businesses. They will market the region in a new advertising campaign.

Partnership 2000 is developing a strategic plan for economic growth. Besides its strong emphasis on existing industry and small business, the plan will focus on attracting specific industries. They have not completed the plan, but have already announced that aviation-related companies are first on the list of targeted industries.

Each county in the Region is actively involved in Partnership 2000. Each also has specific local programs focused on the needs of their county.

Economic Development Initiative

South Central Bell and the State Department of Economic and Community Development are jointly funding a study of existing industry in Tennessee. Beginning in 1989 with a pilot program in Rutherford county, the study expanded into 15 counties in 1990, including three more in the Greater Nashville Region: Montgomery, Williamson and Wilson. Plans call for expansion to 25 counties in 1991.

South Central Bell and the state work closely with the county, cities, and the chamber to get accurate information about the business climate in each county. They interview existing manufacturers to determine the strengths and weakness of the climate as the businesses perceive it. They will ask about business needs and the labor force. The data are analyzed at Middle Tennessee State University and presented to the county.

Not only will this study give each county better data about its local economy, it will help to build a better relationship between business and government. The study should be a strong foundation for future economic development activities.

Environmental Constraints

The Greater Nashville Region faces serious environmental constraints that will affect economic development in the Region. The constraints should not prohibit industrial growth, but they will force some expensive remedies.

Air Quality. Since 1977, the U.S. Environmental Protection Agency has determined that Davidson, Rutherford, Sumner, Williamson, and Wilson Counties do not meet the standards for clean air. These counties did not attain the requirements for ozone, so they were designated "non-attainment areas." EPA placed certain requirements on Davidson County to attempt to clean up the air. Those requirements included auto emissions testing and industrial offsets. The other four counties were not included in these requirements until this year, when EPA and the State Air Pollution Control Board agreed that they should have been under them all along.

EPA's requirements affect industrial development in several ways. Industries which produce volatile organic compounds (VOCs) that help to produce ozone are the most affected. Those industries include: printing, painting operations, fiberglass construction, bakeries, and dry cleaners. Large plants seeking to locate or expand in a "non-attainment area" must show that they are reducing the overall amount of VOCs in the air. Affected industries seeking to expand must significantly clean existing emissions. New industries in these categories must look for places where existing plants no longer operate or purchase the rights to benefits of reduced emissions from another plant in the area.

Many affected industries, recognizing the difficulty of complying with EPA's guidelines, simply located or moved to expanded quarters outside of Davidson County. With the requirements now extended to the four adjacent counties, affected industries will likely move to the next tier counties or elsewhere in the Region.

EPA and the State are currently considering including the remaining three counties of the Nashville MSA in the "non-attainment" area. If so, these industrial offset requirements will apply to Cheatham, Dickson, and Robertson Counties as well.

Wastewater. The Commissioner of the State Department of Health and Environment has recently approved a plan to solve the problem of chronic sewer overflows in Metro Nashville. Until the Commissioner was satisfied with Metro's plan, he prohibited almost all new development in the area they serve. Because Metro treats sewage from many surrounding communities, the order also stopped development in Hendersonville, Goodlettsville, La Vergne, Mt. Juliet, northern Williamson County, the Harpeth Valley Utility District (parts of Davidson, Williamson and Cheatham Counties) and the Cumberland Utility District (northwest Wilson County).

Metro's proposals would cost over $600 million to solve the problems. At this time, Metro is examining ways to pay for the improvements over several years. The other cities and utility districts involved face similar problems, but couldn't resolve theirs until the Commissioner approved Metro's plan.

Other constraints. Two other environmental issues may hinder future growth: solid waste and water supply. Problems with both stem from increased demand outstripping supply and increased environmental awareness.

Local governments in this Region are running out of landfill space and must bring all existing landfills up to stricter state standards in three years. New landfills must have mechanisms to protect the environment. At best, these new measures will be extremely expensive; at worst, local governments may not be able to locate a landfill in their jurisdiction. Areas unable to deal safely with solid waste will have a difficult time attracting industrial growth.

Several Greater Nashville communities face water shortages. The drought of the mid-1980s proved how water scarcity can affect some of the fastest growing areas in the Region. Many cities, counties and utility districts are examining ways to link their water supplies to reinforce each other in the future. Some are seeking new pipelines to the Cumberland River to provide a constant source.

County Strategies

CHEATHAM COUNTY

Cheatham County has experienced significant residential growth and has continued to have several strong industries. However, the service sector has not kept up with the other growth. Each of the cities needs additional commercial and office development. Kingston Springs, with its access to I-40, is particularly interested in office and commercial growth.

Ashland City's industrial park will need to connect to the City's sewer plant to expand. In the southern part of the County, limited capacity and weak water pressure are hindering further growth. Some have recommended creating a county water authority, as well as connecting Kingston Springs and Pegram to Metro Nashville or Harpeth Valley U.D. water systems.

Another industrial park may be possible in the Pleasant View area near I-24. Utilities are not now present on that 100-acre site. Pegram has a small 1 to 2-acre site near the railroad that could be developed industrially.

DAVIDSON COUNTY

Although Partnership 2000 is the largest economic development thrust in Davidson County, other activities are underway.

The Nashville International Airport is one of the strongest new assets for the Region. The airport authority has announced plans for a new 8,000-foot runway. American Airlines recently announced that its hub here would become an omni-directional hub, rather than just a north-south hub as was originally planned. They announced additional non-stop flights. The Nashville hub has grown faster than they expected, but that growth has been curtailed recently by a lack of airplanes. Additional international flights may come as foreign countries allow more entry.

Metro Nashville created a new Office of Economic Development in 1988, the first such office in its history. Their first goals are to simplify the requirements on new businesses. They hope to eventually approach "one stop shopping" for all required permits, licenses, and approvals. They work with new businesses coming into the city.

The Nashville Business Incubation Center is expanding with a second floor to accommodate more than a dozen companies seeking to move there. The Center hopes to have satellite centers within the next five years.

The Middle Tennessee Industrial Development Association is a regional economic development organization funded by the electrical cooperatives and TVA. They maintain information on industrial sites and work closely with prospective industries. Other utilities, including South Central Bell, Nashville Gas, and the CSX Railroad, maintain industrial development staffs who work in all areas of the Region.

Davidson County continues to be the retail center of the Region. The Goodlettsville/Rivergate area has over four million square feet of retail space, making it the largest concentration of such space in the state. A new mall opened in August in Bellevue, joining the other regional malls in the Antioch area(Hickory Hollow), Green Hills, and downtown (Church Street Centre).

Within the City of Goodlettsville, three new office buildings and a new restaurant are under construction. Recently, mixed-use planned unit development incorporating over one half million square feet of space received preliminary approval. The Goodlettsville Area Chamber of Commerce actively assists and informs both new and existing businesses. Their information brochure and video won first place awards at the annual Governor's Conference on Economic and Community Development competition.

Tourism is a major industry in Davidson County. In 1988, the last year for which information is available, tourism brought in over $1.6 billion dollars and employed over 33,000 people. Davidson County's tourism industry generates about one-third of the total state tourism dollars. Davidson County is a destination location, so the entire region benefits from the traffic.

Both the Nashville Area Chamber of Commerce and the Goodlettsville Area Chamber of Commerce promote tourism heavily. In 1990, the Nashville Convention and Visitors Bureau in the Chamber spent $8 million in private and public contributions to promote Nashville to tourists. The Goodlettsville Chamber promotes historic sites and shopping in the Goodlettsville/Rivergate area.

Nashville has also become a major convention center. Nashville has two large convention centers. One at the Opryland Hotel has 145,000 square feet of exhibit space and some 5,000 committable rooms nearby. The Nashville Convention Center downtown has 119,000 square feet of space and over 4,000 rooms nearby. The American Airlines hub has enhanced Nashville as a center for medium to large conventions.

DICKSON COUNTY

Dickson County works closely with the state and the Nashville Chamber recruiters and with MTIDA. They advertise in national site location magazines and make two out of state sales trips annually. Staff attempt to call at least twenty out-of-state industries each month to update Chamber files on potential expansions, locations, etc. They also mail information directly to industries.

To identify the needs of existing industries, the chamber meets every other month at a local plant. The mayor and county executive attend and discuss the industry's needs and plans.

The Chamber encourages retail and small business growth by sponsoring "Business After Hours," special seminars, and working with the Distributive

Education Clubs in the high school. They encourage local shopping through messages on telephone and electricity bills.

Local banks have joined to form a loan pool for capital investments in businesses. That pool maintains a desirable interest rate. The Chamber also helps inform businesses about small business financing tools.

Agriculture is an important industry in Dickson County. Each year the Chamber sponsors a farm tour with a presentation on agriculture. They recognize small agribusinesses at the annual Farm/City Awards Dinner. Dickson County has a large auction barn which attracts thousands monthly to agricultural auctions.

The Chamber has a Film Commission. They've photographed sites suggested by the State Film, Music, and Entertainment Commission which might be suitable for location filming. The photographs are on file at the state and local people are briefed on finding the sites on short notice.

HOUSTON COUNTY

The speculative building in the Houston-Stewart County Industrial Park is under a lease purchase arrangement with the industrial tenant. That building increased the number of prospective industries interested in the park by 80 to 90 percent. For that reason, both counties plan to reinvest the proceeds into a new speculative building.

The industrial park still needs a gas line, but they feel certain they could get the line when an industrial prospect appears that needs it.

Houston and Stewart Counties are also considering linking their water lines to provide back up service. This would provide a better guarantee to industry in either county.

A private developer is constructing a new office building in Erin because of limited available office space.

HUMPHREYS COUNTY

In many ways, Humphreys County is still recovering from the loss of hundreds of jobs in major plant closing in the early 1980s. Consequently, they are committed to diversifying their economy.

They are working with large industries, but are more interested in small employers. Their goal is to have several companies which employ 50-100 people. They are looking at tourism to help broaden their base.

Located along the Tennessee River and Kentucky Lake and home for one of country music's most popular entertainers, Loretta Lynn, the county already has a strong tourism draw. However, local leaders are working on projects to increase that pull.

For several years, they have worked with the Tennessee Department of Conservation and the General Assembly to up-grade Johnsonville State Historic Area into a broader state park with a marina and campgrounds. They also need the road leading to the park improved.

Waverly leaders are looking at developing the city into an outlet retail center, similar to Boaz, Alabama. They feel that they could capture tourists traveling I-40 and could become a destination for some of the same groups who travel regularly to Boaz.

MONTGOMERY COUNTY

The Clarksville/Montgomery County Industrial Development Board works closely with the State and with MTIDA to recruit new industry. The Board plans to target certain industries and a more aggressive marketing program.

Existing industries are visited periodically, but County leaders hope to develop more mechanisms to serve those industries. Montgomery County is involved in the Economic Development Initiative, the survey of existing industries. Local industries are honored at an annual Industry Appreciation Dinner and a golf tournament.

The Chamber has emphasized small businesses for the past two years. They work with SCORE and Austin Peay State University to produce seminars on starting a small business. The Chamber has a local SCORE chapter. Also, a bimonthly publication has an advice column for small business problems.

The Chamber has started a successful "Executive Dialogue" program. Two groups of 10-to-12 business leaders meet monthly with an accountant, a banker, and a lawyer. Deliberately selected from non-competing businesses, the businesspeople share common problems and get free expert advice. A third group will likely begin in January 1991.

Several groups in the County are beginning to look for common marketing themes. The Tourism Commission will reevaluate and upgrade its promotional materials this year. The Chamber, the Industrial Development Board and the Tourism Commission, among others, are comparing notes to see how to strengthen their marketing.

The Chamber will promote shopping in Clarksville in the fall. They are participating with the City and the County in beginning a Main Street program for downtown. In addition, they have joined Keep America Beautiful.

The Tourism Commission has just moved to its own building near the interstate to make it easier for tourists coming into Clarksville. Their staff attend group tours trade shows to encourage motorcoach tour business.

ROBERTSON COUNTY

Robertson County Chamber of Commerce has recently changed executive directors. Consequently, they will be reassessing existing programs and making new plans for the future.

In the past they have sought small-to-medium sized industries that were environmentally clean and compatible with existing companies. Many contacts have come from the state and MTIDA. Robertson County has consistently had low unemployment which has allowed them to focus their recruiting on controlled areas.

RUTHERFORD COUNTY

In December 1989, the Chamber published its first community resource and industrial site guide, patterned after a similar guide Nashville Gas publishes for its service area. It contains in depth community data, marketing information, business costs, and other valuable information for businesses. Realtors provided information on industrial sites. They plan for this to be an annual publication and will provide it to any interested industry or business.

Rutherford County was the pilot county in the Economic Development Initiative, the survey of existing industries. The Chamber has begun a quarterly "President's Council" for the CEOs and presidents of county industries. It helps the Chamber keep in touch with those people and helps them know each other better.

For budding entrepreneurs, the Chamber publishes a "How to Start a Small Business" guide. They have a branch office of SCORE in Murfreesboro. In cooperation with Middle Tennessee State University, they sponsor a five-week series on "How to Start a Small Business" through the University's Continuing Education Program. They also sponsor a seminar with local bankers called "Successful Business Financing: How to get a Bank Loan."

This year the Chamber plans to produce a new four-color brochure for tourism. They advertise in the *Nashville Travel Guide*, *Travel South* magazine, and in brochures in Welcome Centers. They also conducted a mini-familiarization tour for Welcome Center employees.

A relatively new thrust in amateur athletics has become highly successful. MTSU is the site of the TSSAA boys and girls basketball tournaments for at least the next two years. Those tournaments bring hundreds of teenagers, parents, chaperones, coaches, and fans to Murfreesboro each winter. The chamber plans special programs to serve the teams and spectators to ensure these tournaments return each year.

STEWART COUNTY

Stewart County is committed to reinvesting the proceeds from the lease/purchase of the speculative building in the Houston-Stewart Industrial Park in a new spec building.

In addition to the joint activities described under Houston County, Stewart County is interested in increasing its tourism industry. The Chamber and others work with the riverboat The Queen of Clarksville for regular runs down the Cumberland to Dover and back. They are also seeking a developer for a multipurpose recreation complex on Lake Barkley. The U.S. Army Corps of Engineers who control Lake Barkley are marketing the area for development. The Hickman Creek Recreation Area as planned would have a lodge, golf course, marina and other facilities.

SUMNER COUNTY

Sumner County has successfully attracted industry throughout the county, but especially in the Portland area. In Portland, they have a goal of attracting one new industry each year with 150-200 new jobs. This year they will do considerably better, bringing in probably six new plants with 700-800 employees total. They try to diversify their recruitment. For every automotive parts manufacturer, they seek to bring in two non-automotive manufacturers.

Most of the county works closely with the State and Cumberland Electric Cooperative's industrial recruiters. Portland has a nearly full-time recruiter. Gallatin and Hendersonville both have people, in addition to their chamber staffs, who recruit part-time. Sumner County is also a member of the Four Lake Regional Industrial Development Authority.

Gallatin and Hendersonville will soon update their marketing material. Hendersonville is also completing a video for its recruiting program.

Hendersonville will begin a complete inventory of property in the city. Their computerized database will include parcel numbers, owners, land use, and vacancy information which can be used to identify land suitable for development.

Portland will be emphasizing its retail sector in the next few years. They would like to recapture some of the leakage going to Nashville retail by landing a large shopping center.

Many new restaurants have opened in Hendersonville since the residents enacted liquor-by-the-drink in the fall of 1989. Although the Nashville area has a surplus of hotel rooms, a large hotel may be built in the City in the future. A second merchant's association is beginning. The Chamber is working closely with merchants who fear that the new Hendersonville Bypass will cost them business.

Gallatin is in its third year as a Three Star city, showing that it is prepared for economic development. It has a strong Main Street program working to revitalize the downtown. They face a shortage of inexpensive industrial land. They find they lose industry to other locations because the privately held industrial land is costly.

Working as an umbrella organization, the United Chambers of Sumner County run a county-wide leadership program. They will hold their first economic development conference in conjunction with Volunteer State Community College in October.

TROUSDALE COUNTY

Trousdale County is completing its second year as a Three Star Community. The Business and Industry Committee meets quarterly, developing an excellent relationship between the chamber and the companies and among the companies themselves. The Community Livability Committee meets periodically to work on special projects like litter control, the library, and the depot.

Unemployment is low in Trousdale County: so low, some industries are having trouble filling positions. Many feel that part of the problem is lack of available housing. The chamber mailed information to some top developers in Nashville to get them to look at the County for speculative housing. Although nothing firm has come from that to date, some developers did express an interest in looking further.

The Chamber is also interested in furthering and diversifying business development. Several stores have recently opened or remodeled. A key development is a prototype restaurant opened recently by McDonald's Corporation. It is a new venture into smaller markets and specializes in family-style foods.

Trousdale County is a member of the Four Lake Regional Industrial Development Authority created after the closing of the Hartsville Nuclear Plant. The Authority and TVA have established a small business incubator on the site of the plant. One company at the site is ready to "graduate" to a nearby town.

They hope to capitalize on tourism more in the future. Many people pass through on their way to Defeated Creek Campground at Cordell Hull Lake. They hope promotion of the Avery Trace will help bring more tourists into the county. In a recent development, residents will vote in November on permitting horse racing with pari-mutuel gambling.

WILLIAMSON COUNTY

The Williamson County Commission recently created an Economic Development Council, comprised of representatives of local governments and the three chambers. The Commission authorized them to raise funds to hire a full-time economic developer.

Williamson County is one of the participants in the Economic Development Initiative sponsored by South Central Bell and the State. The Williamson County Chamber anticipates tailoring their economic development program by the results of that study.

To promote tourism, local leaders advertise and regularly attend group tours marketplaces. They are actively involved in the Tennessee Natchez Trace Corridor Association and hope to develop a Native American center near the parkway. Plans are underway for additional, more diverse, attractions.

Sports tournaments draw many to the County. Golf tournaments in Franklin and tennis and swimming meets in Brentwood often feature national competition. With the opening of the Williamson County Recreation Center, those events will likely increase.

Brentwood recruits from four specific areas: corporate office relocation, service industries, retail and residential real estate. Most leads come directly to the Brentwood Chamber office or from local referrals.

Because the County has such low unemployment, Brentwood leaders work aggressively with interested companies to show that labor is available nearby. A public/private program, the Brentwood Area Transportation Management Association, works with the Chamber to customize programs to show companies how employees can come in from out of the county.

The Chamber has marketing materials for retail, office, and residential developers and tenants. An Business Development Committee works with interested companies and with county-wide programs.

Fairview is completing its requirements for certification as a Three Star Community under the state program. They are updating their marketing materials and preparing new information on the industrial park. They plan to market their site with the help of MTIDA, the state, and the Nashville Chamber.

WILSON COUNTY

With its serious sewer capacity problems behind it, Wilson County anticipates strong industrial growth. Its location along I-40 and I-840 and near the Nashville International Airport gives Wilson County several advantages.

Wilson County has an economic and community development board comprised of government leaders, chamber officials, and others. One of their goals is to hire a full-time director. They are also participating in the Economic Development Initiative, the survey of existing industries.

The industrial park between I-40 and US 231 and US 70 to Watertown needs some utilities, but they also hope to expand it by another 300 acres. Local developers are willing to build speculative buildings for industry.

In Mt. Juliet, some improvements are needed to the 600-acre industrial park. A new private industrial park may open off I-40 and SR 109. A smaller industrial park in Watertown also needs water and sewer improvements.

Wilson County leaders are also moving into the convention and special events business. At the fairgrounds, they plan to host conventions of recreational vehicle associations, a strong market that is not presently served in Middle Tennessee. They have committments for a 7,500-member convention in 1993. They are also hoping to expand the Agricultural Center ball fields to host large softball tournaments. Eventually they'd like to have a multipurpose center to offer year-round facilities.

REGIONAL CAPITAL IMPROVEMENTS PROGRAM

Methodology

Since 1977, the Greater Nashville Regional Council has periodically identified the infrastructure needs of the Region as a part of developing the regional economic development plan. The process involves several separate reviews by the local governments and by the Council staff. The following is a brief discussion of each step in the process.

Review of Regional Goals, Objectives, and Plans

The long-range goals, objectives and plans established and adopted by the Council form the basis for the RCIP, since its primary purpose is their implementation. Staff review them to provide the framework to evaluate individual projects. Among the documents used are the *Regional Development Strategy: 1976-2000*, the *Regional Goals and Objectives*, and the 1986 *Regional Infrastructure Assessment and Capital Improvements Program*.

The Project Inventory

The county executive, mayors, chamber of commerce officials, planners, public works officials, highway commissioners, and other local leaders received copies of the 1986 RCIP for their review early in the process. Staff asked them to consider what had been accomplished and what needed to be added to the list of projects.

In all but two counties, the county executive convened a public meeting and invited all mayors and other local leaders to discuss county economic development. Davidson and Montgomery Counties had each held extensive public hearings in the process of developing their county capital improvements budgets. In those counties, staff met with local planners and others to determine which were regional projects.

The public meetings phase took approximately three months. Following each meeting, staff contacted other officials and researched costs to identify additional projects, estimate costs, and determine schedules. In many cases, staff calculated estimated costs based on average costs per unit.

Determination of Regional Projects

Each project submitted by a local government may not have an impact upon the surrounding communities or upon the overall development of the Greater Nashville Region. Staff used the following definitions to determine if a project should be classified as a regional capital improvement:

> To be a capital improvement project, it must be a major public project involving the acquisition, construction, renovation or modification of any land, public building, public utility, public

thoroughfare or place of public activity which has a useful life expectancy of ten years or greater or has a total cost exceeding twenty thousand dollars ($20,000). The acquisition of land (excluding utility easements) for capital improvements shall constitute a project regardless of cost.

To have regional impact, a project have an effect on two or more local government jurisdictions or be located in the central business district of Metropolitan Nashville Davidson County or Clarksville, because of the economic impact of those areas on the Region.

Many projects which were determined to have only a local impact were included in the analysis because of their importance in support of overall economic development. Including both regional and local projects within the RCIP provides a truer picture of the infrastructure needs of the region.

The Council staff completed the initial analysis. Results were sent to local officials for their review and correction.

Board Action

Council board members received a second draft of the report at the Council's annual meeting on September 27, 1990. They reviewed and adopted this report at that meeting, pending minor corrections.

This 1990 update reflects the Region's infrastructure needs and goals. With planning, budgeting, and cooperation among governments, these projects can become a reality for the benefit of the people of the Region. This is a working document, scheduled for regular updates to ensure that it accurately reflects the plans of the Region.

Benefits of the Regional Capital Improvements Program

The principal benefits and advantages derived from developing the Regional Capital Improvements Program are:

1) The RCIP allows local officials to see in an organized fashion the projects their own and neighboring communities have proposed.

2) The RCIP illustrates where and how local projects fit into the larger regional setting.

3) Elected official and citizens gain a better insight into where tax dollars are being spent, as well as information on proposed capital expenditures in neighboring communities that could affect their own.

4) The RCIP increases the possibility of joint projects between local governments and identifies potential cost savings.

5) Local communities can better plan their growth and development instead of following a pattern of reacting to crisis, making decisions piecemeal, or having decisions made by some other agency.

6) The RCIP increase local government input into the State budget process, thereby increasing the potential for receiving additional funding from state agencies. The RCIP presents the Governor's Office and the State Legislature with a joint expression of regional development needs and priorities of the counties and cities of the Greater Nashville Region.

   Additionally, such a joint expression of project needs and priorities should favorably influence the funding decisions of federal agencies in assisting local governments better meet their regional development objectives.

7) The RCIP document becomes a coordinated regional investment plan for local governments and a framework for private economic planning and investment in the Region.

8) The RCIP also provides a more complete base from which the Greater Nashville Regional Council can assist project coordination, and review state and federally assisted projects as required by the state and local project review process.

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL HOUSING PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
H-1	Humphreys	Waverly	Tank Hill housing redevelopment and rehabilitation	Fy 91	100,000
H-2	Robertson	Springfield	Rehabilitation of Public Housing Units - 5 year program	FY 91	3,000,000
H-3	Rutherford	LaVergne	Encourage development by private sector of 150 - 200 units of low and moderate income housing	FY 93	10,000,000
H-4	Rutherford	Murfreesboro	Rehabilitation of 10 low and moderate housing units using CDBG funds	FY 91	129,800
H-5	Trousdale		Rehabilitation of 16 houses and water improvements on Snake Hollow Road	Fy 92	43,500
H-6	Trousdale	Hartsville	Rehab of 10 houses on West Main St. in Hartsville	FY 92	150,000
H-7	Wilson	Lebanon	Neighborhood Revitalization, housing rehab work in slum areas of Lebanon	FY 92	500,000
				TOTAL	$$$$13,923,300

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL HOUSING PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
H-1	Davidson		Single Room Occupancy Housing on Hermitage Avenue	FY 91	3,123,000
H-2	Davidson		Construct Low Rent Housing Scattered Site Project - 50 units	FY 91	2,137,000
H-3	Davidson	Goodlettsville	Housing for the Elderly- 50 units	FY 94	2,000,000
H-4	Houston	Tennessee Ridge	Construct 30 Units of Multi Family Housing	Fy 94	1,000,000
H-5	Humphreys	McEwen	Family Housing development - 36 units off of US 70	Fy 92	1,054,600
H-6	Humphreys	New Johnsonville	Housing for the Elderly - 48 unit	FY 91	1,554,000
H-7	Humphreys	Waverly	Housing for Elderly - 24 unit complex	Fy 91	672,000
H-8	Robertson	White House	Develop 40 family housing units	FY 92	1,280,000
H-9	Robertson	White House	Construction of 52 elderly housing units	FY 91	1,300,000
H-10	Rutherford		Develop a homeless shelter in Rutherford County utilizing an existing county building	FY 91	100,000
H-11	Rutherford	Eagleville	Construct a 30 unit FmHA 515 project for the elderly	FY 91	1,000,000
H-12	Rutherford	Murfreesboro	Rehabilitation of public housing units	Fy 93	1,500,000
H-13	Rutherford	Murfreesboro	Addition of 32 public housing units (16 duplexes)	FY 92	1,500,000
H-14	Rutherford	Smyrna	Expand Meadowlawn Manor, an elderly housing complex	FY 91	1,000,000
H-15	Sumner	Gallatin	Construct 40 units of public housing - 20 duplexes	FY 92	1,250,000
H-16	Sumner	Portland	Construction of 100 units of Elderly Housing	FY 91	2,500,000
H-17	Trousdale		Construction of 20 units of Elderly	FY 92	1,120,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL HOUSING PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			housing		
H-18	Williamson	Fairview	40 Units Elderly and Handicap Housing	FY 91	1,523,000
				TOTAL	$$$$25,613,600

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL INDUSTRIAL SITE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
I-1	Cheatham		Extend natural gas line into the industrial park	FY 92	200,000
I-2	Cheatham		Develop 100 acres near Pleasant View into industrial park and provide provide infrastructure improvements	Fy 94	6,000,000
I-3	Cheatham	Pegram	Develop one or two small sites along railroad track into industrial property	Fy 92	100,000
I-4	Davidson		Acquire land for Cockrill Bend Industrial Park	FY 91	700,000
I-5	Dickson		Construct a 300,000 gallon water storage tank at the County Industrial Park	FY 92	400,000
I-6	Dickson		County Industrial Park to be expanded by 125 acres	FY 91	750,000
I-7	Dickson		Construction of a 60,000 sq.ft. speculative industrial building in the County Industrial Park	FY 93	600,000
I-8	Dickson	Charlotte	Provide the new industrial site with water	FY 93	26,000
I-9	Dickson	Charlotte	Acquire 100 acres for industrial development	FY 93	200,000
I-10	Dickson	White Bluff	Develop 80 acres for industrial park	FY 95	160,000
I-11	Houston		Extension of the natural gas line to Stewart-Houston County Industrial Park	FY 92	150,000
I-12	Houston		Construct a 50,000 sq.ft. industrial speculative building in the Stewart-Houston County Industrial Park	Fy 92	500,000
I-13	Humphreys		Establish an industrial park along I-40 at SR 13	Fy 93	950,000
I-14	Humphreys		Access to and development of the Simmons Branch Industrial Park	Fy 94	500,000
I-15	Humphreys	McEwen	Construction of an industial access road in McEwen industrial park from US 70	FY 91	150,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL INDUSTRIAL SITE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
I-16	Humphreys	McEwen	Construction of a 60,000 sq.ft. speculative industrial building in the McEwen Industrial Park	FY 91	500,000
I-17	Humphreys	McEwen	Improvements to the water and sewer capacities of the McEwen Industrial Park	Fy 93	200,000
I-18	Humphreys	McEwen	Add a rail spur to the speculative building in the McEwen Industrial Park	FY 92	150,000
I-19	Humphreys	New Johnsonville	Construct a 500,000 gallon water stand pipe for the New Johnsonville Industrial Park	Fy 92	500,000
I-20	Humphreys	Waverly	Construction of an industrial access road into the Waverly Industrial Park	Fy 93	975,000
I-21	Robertson		Extend sewer to zor , Industrial area at I-65/31W north side of SR 52	FY 93	1,523,840
I-22	Robertson	Springfield	Develop new 170 acre industrial site north of city - supply it with access road and public infrastructure	FY 91	300,000
I-23	Robertson	White House	Extend Sewer line from Springfield to potential industrial park at Pleasant View I-24 and SR 49	FY 95	1,755,600
I-24	Rutherford	LaVergne	Construct industrial roads in existing 300 acre industrial sites	FY 93	1,500,000
I-25	Rutherford	Murfreesboro	Develop industrial park on south and north sides of I-24 with water, sewer, and road ways	FY 95	10,000,000
I-26	Rutherford	Murfreesboro	City and county to develop new industrial site in the Florence Road Area	FY 95	5,000,000
I-27	Rutherford	Smyrna	400 acres in Smyrna Airport area to be transferred from Metro Airport Authority for land development - develop water and sewer and access roads	FY 91	2,000,000
I-28	Stewart		Construct an 50,000 sq.ft. speculative building in the Stewart-Houston County	FY 92	250,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL INDUSTRIAL SITE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Industrial Park		
I-29	Stewart		Extension of natural gas line to Stewart-Houston County Industrial Park from Erin	FY 93	150,000
I-30	Stewart	Dover	Construct a 30,000 sq.ft. building on 18 acre site along US 79 east to Dover	FY 91	300,000
I-31	Sumner	Gallatin	Provide utilities and infrastructure to a private industrial site in the city - Bradley Industrial Site	Fy 92	500,000
I-32	Sumner	Gallatin	500 acre site within the city to be developed as needed for industrial development - site needs all utilities	Fy 94	1,000,000
I-33	Sumner	Hendersonville	Develop an industrial site within the city on city owned property	FY 93	500,000
I-34	Sumner	Portland	Develop the industrial site near the airport	Fy 92	500,000
I-35	Sumner	Portland	Develop an industrial site near the sewage treatment plant	Fy 94	200,000
I-36	Sumner	Westmoreland	Acquire land and develop 50 acre industrial park	FY 93	1,500,000
I-37	Williamson	Fairview	Develop industrial park in Fairview and provide utilities, access roads and site work	Fy 91	2,500,000
I-38	Wilson		Build a 50,000 sq.ft. speculative building in County Industrial Park	FY 92	1,500,000
I-39	Wilson		Improvements to the County Industrial Park - Water,Sewer, access road	FY 91	1,000,000
I-40	Wilson		Expansion of County Industrial Park	Fy 93	1,000,000
I-41	Wilson		Public infrastructure improvements to private industrial site (500 acres) at SR 109 and I-40 to include roads, water and sewer	FY 93	12,500,000
I-42	Wilson	Mt. Juliet	Industrial site development on Baltz	FY 93	15,000,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL INDUSTRIAL SITE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Brothers property. Mt. Juliet and West Wilson County Industrial Park approximately 600 acres.		
I-43	Wilson	Watertown	Improve access and water services to 110 acre industrial site in Watertown, and also add sewer services	Fy 92	400,000
				TOTAL	$$$$74,590,440

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
R-1	Humphreys	McEwen	Develop and construct a city park in McEwen	FY 91	30,000
R-2	Robertson	Orlinda	Develop a new little league field	FY 91	15,000
R-3	Robertson	Orlinda	Resurface existing tennis court	FY 92	3,000
R-4	Rutherford	Murfreesboro	Addition of Picnic Shelters, Playground, and gym to Paterson Park	FY 93	3,000,000
R-5	Stewart	Cumberland City	Construct tennis courts in the School Park Playground	FY 92	80,000
R-6	Sumner	Gallatin	Small neighborhood parks - 3	FY 93	75,000
R-7	Sumner	Hendersonville	Renovation of Drakes Creek Park North Press Box for the purpose of relocating adminstrative offices within the park	FY 91	18,000
R-8	Sumner	Hendersonville	Purchase new playground equipment for Memorial and Saunders Ferry Parks	FY 93	18,000
R-9	Sumner	Portland	Develop 1.5 miles around Town Creek as a Greenway	Fy 94	20,000
R-10	Sumner	Portland	Develop a place for bicycle trails	FY 92	10,000
R-11	Williamson	Brentwood	Construct Wilson Pike Park for area residents	FY 92	200,000
R-12	Williamson	Franklin	Develop Fowlkes Street project	Fy 93	15,000
				TOTAL	$$$$$3,484,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
R-1	Cheatham		Connect, with a Greenbelt through Ashland City, two parks- Vine Street park and a 35 acre park adjacent to city and form a larger City-County Park.	Fy 91	20,000
R-2	Cheatham		Link Greenbelt area to lands presently owned by railroad, TWRA, and Corps of Engineers. This area will be utilized for walking trails, nature areas, picnic areas and boat ramps.	FY 92	15,000
R-3	Cheatham	Kingston Springs	Develop 4 tennis courts in City	FY 92	50,000
R-4	Davidson		Warner Park Development - Phase I	FY 95	1,300,000
R-5	Davidson		Construct fence around golf area and renovate portion of clubhouse interior at Shelby Park Golf Course	FY 91	100,000
R-6	Davidson		Construct new cart paths and storage area at Percy Warner Golf Course	FY 91	125,000
R-7	Davidson		Construct Boat Ramp at end of Neeley's Bend Road adjacent to Peeler Park	FY 91	250,000
R-8	Davidson		Extend water system for 9 holes and construct cart paths at McCabe Golf Course	FY 91	450,000
R-9	Davidson		Develop a new concession area and additional facilitities for Two Rivers Park Wavepool and Water Playground	FY 91	450,000
R-10	Davidson		Construct center for teaching and housing arts program - Centennial Park Cultural Arts Center	Fy 94	500,000
R-11	Davidson		Construct indoor pool at Bellevue Park	FY 92	500,000
R-12	Davidson		Bordeaux Recreational Improvements	FY 91	3,000,000
R-13	Davidson		Expansion of Art Center Facilities at Centennial Park Art Center	FY 94	250,000
R-14	Davidson		Construct a large urban park on	FY 91	5,500,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Metrocenter Bouldvard - Rhodes Park		
R-15	Davidson		Renovate exterior of building and improve surrounding area of Centennial Park's Parthenon	Fy 91	1,500,000
R-16	Davidson		Plan and develop a large urban park - E.N. Peeler Park on Neeley's Bend Road	Fy 95	4,750,000
R-17	Davidson		Construct indoor tennis facility in Centennial Park	FY 93	750,000
R-18	Davidson		Construct boat ramp and restroom at Lock Two Park	FY 91	285,000
R-19	Davidson		Acquire land for recreational facilities in Southeast section of the county	FY 92	2,600,000
R-20	Davidson	Goodlettsville	Additional Park Development	FY 95	500,000
R-21	Davidson	Goodlettsville	Develop a Golf Course through public-private partnership	FY 94	5,000,000
R-22	Dickson		Build a Baseball field in Cumberland Furnace	Fy 92	10,000
R-23	Dickson	Charlotte	Build a city park with picnic shelters and tennis courts on 10 acres by the Little League and Horse Park	Fy 91	50,000
R-24	Dickson	Dickson	Purchase of 60 acres and expansion of baseball fields at Buckner Park.	FY 92	200,000
R-25	Dickson	Dickson	Lighting of existing soccer fields at Buckner Park.	FY 93	100,000
R-26	Dickson	Dickson	Renovation of an existing 90,000 square foot structure for the purpose of a community recreation civic center.	FY 93	1,000,000
R-27	Dickson	White Bluff	Build a sport facility on a site in Montgomery Bell State park which is adjacent to White Bluff	FY 94	1,500,000
R-28	Houston		Improvements to 35-acre National Guard Park	Fy 91	50,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
R-29	Houston		Upgrade docking ramp facilities and parking at the Danville Recreation Park	FY 91	25,000
R-30	Humphreys	Waverly	Construct a new swimming pool	Fy 92	100,000
R-31	Humphreys	Waverly	Improve and light the softball field	Fy 92	70,000
R-32	Montgomery	Clarksville	Begin planning and work for construction of a lake in existing marsh at Fairgrounds Park	FY 91	15,000
R-33	Montgomery	Clarksville	Soccer Complex on Abernathy Property	FY 92	150,000
R-34	Montgomery	Clarksville	Construct a metal building at Fairgrounds Park with heat, air conditioning, and small office to be used as exhibition hall for the Fair and Rental space year-round, half of the cost to be private	FY 91	74,000
R-35	Montgomery	Clarksville	Replace Ballfield lights at Barksdale Field	FY 91	20,000
R-36	Montgomery	Clarksville	Renovate and upgrade McGregor Park	FY 91	1,255,000
R-37	Montgomery	Clarksville	Renovate Valleybrook Park - Phase 1	FY 91	45,000
R-38	Montgomery	Clarksville	Resurface tennis courts at Sports Complex	FY 94	17,500
R-39	Montgomery	Clarksville	Begin planning and architectural work on Phase II of River District Project	FY 91	300,000
R-40	Montgomery	Clarksville	Riverfront Park construction in McGregor Park - Phase II	FY 92	1,000,000
R-41	Montgomery	Clarksville	18 hole golf course with support facilities on Abernathy property in North Clarksville	FY 91	3,500,000
R-42	Montgomery	Clarksville	Bicycle trail constructed on L & N Railroad greenway	FY 92	25,000
R-43	Montgomery	Clarksville	Renovate Billy Dunlop Park	FY 92	60,000
R-44	Montgomery	Clarksville	Repair and replace playground equipment	FY 91	125,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			on all city parks and cushioned surfaces around all equipment		
R-45	Montgomery	Clarksville	Land Acquisition for Riverwalk - Children's property	FY 91	20,000
R-46	Montgomery	Clarksville	Renovate Valleybrook Park -Phase II -New playground with safety cushion surfaces	FY 92	30,000
R-47	Montgomery	Clarksville	Light Mason Rudolph Golf Course	FY 92	25,000
R-48	Montgomery	Clarksville	Construction of olympic pool and facilities in St. Bethlehem	FY 91	650,000
R-49	Montgomery	Clarksville	Lodge and convention center at Swan Lake	FY 93	1,500,000
R-50	Montgomery	Clarksville	Fill Swan Lake pool and pave area	FY 92	20,000
R-51	Montgomery	Clarksville	Move #3 and #8 greens and #4 and #9 tees at Mason Rundolph Golf Course	FY 91	30,000
R-52	Montgomery	Clarksville	Additional Parking - Fairgrounds Park	Fy 91	20,000
R-53	Montgomery	Clarksville	Construct an entrance road to Sports Complex	FY 91	200,000
R-54	Montgomery	Clarksville	Replace Ballfield lights at Clarksville High	FY 91	250,000
R-55	Montgomery	Clarksville	Phase III of River District Planning	FY 93	30,000
R-56	Montgomery	Clarksville	Phase III of River District Planning	FY 93	30,000
R-57	Montgomery	Clarksville	Construct a skateboard arena at Fairground Park area	FY 92	27,000
R-58	Montgomery	Clarksville	Paving and electrical service for Jaycee Fair - new location in Fairgrounds Park	FY 92	15,000
R-59	Robertson	Adams	Develop Tennis courts, outside basketball goals, picnic and shelters	FY 95	100,000
R-60	Robertson	Adams	Provide an access road to community center	FY 93	50,000
R-61	Robertson	Adams	Concrete Floor in shed to use for Community Center	FY 92	10,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
R-62	Robertson	Springfield	Sports Complex Phase I - Indoor Pool	FY 91	500,000
R-63	Robertson	Springfield	Develop football,soccer, and baseball fields (4 year program)	FY 91	600,000
R-64	Robertson	Springfield	Civic Center rehabilitation	FY 92	60,000
R-65	Robertson	Springfield	Sports Complex - Phase II	FY 93	500,000
R-66	Robertson	White House	Improvements to the Municipal Park including the construction of a new baseball field, soccer fields and basketball courts	FY 92	300,000
R-67	Rutherford	LaVergne	Develop a park, including a soccer field, on 100 acres of Corps of Engineer's property as Hurricane Creek recreation area	Fy 95	2,000,000
R-68	Rutherford	LaVergne	Develop 56 acre into a City Recreation Park with 4 little league ballfields and jogging track	FY 95	900,000
R-69	Rutherford	Murfreesboro	Construction of a tot playground in Old Fort Park	FY 92	150,000
R-70	Rutherford	Murfreesboro	Improvements to McKnight Recreation Complex - a four ball field complex, walking trail, and picnic area	FY 92	2,500,000
R-71	Rutherford	Murfreesboro	Expand the V.A. golf course to 18 holes	Fy 95	3,000,000
R-72	Rutherford	Smyrna	Develop an 8 acre track into a ball field park with football and soccer fields - Enon Springs	Fy 91	500,000
R-73	Rutherford	Smyrna	Develop an 18 hole municipal golf course, recreation complex and environmental education facility - Sharp Springs Road	FY 92	10,000,000
R-74	Stewart		Improvements at the Little League park, tennis courts, parking and other site improvements	Fy 93	125,000
R-75	Sumner		Renovate Veterans Park Memorial	Fy 93	10,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
R-76	Sumner	Gallatin	Develop a multi purpose recreation and civic center on 32 acres of donated property - access road needed	FY 93	2,500,000
R-77	Sumner	Gallatin	Foxland Hall Private recreation development with golf course and sports complex	FY 91	20,000,000
R-78	Sumner	Gallatin	Development of an indoor sports complex with ballfields	Fy 93	1,000,000
R-79	Sumner	Hendersonville	Construct two lighted baseball fields and fence at Drakes Creek Park North	FY 91	115,000
R-80	Sumner	Hendersonville	Develop a Senior Citizens Center on land leased from the city	FY 92	150,000
R-81	Sumner	Hendersonville	Construction of a civic center	Fy 91	1,500,000
R-82	Sumner	Hendersonville	Construction of a swimming pool	FY 95	600,000
R-83	Sumner	Hendersonville	Construct a low water bridge to 20.9 acres adjacent to soccer concession stand in Drakes Creek North Park	FY 92	16,000
R-84	Sumner	Hendersonville	Paving and striping Drakes Creek Park North parking lots	FY 95	95,000
R-85	Sumner	Portland	Acquire land and develop additional ball fields	Fy 94	175,000
R-86	Sumner	Portland	Renovate Richland Park Gym	Fy 92	200,000
R-87	Sumner	Portland	Improvement to Rickland Park - walking tract, croquet yards and picnic areas	FY 92	50,000
R-88	Sumner	Portland	Develop a 20 acre recreational park	FY 91	250,000
R-89	Trousdale	Hartsville	Street improvements through Hartsville City park	FY 91	34,000
R-90	Williamson		Develop 20 acre park in Goose Creek - Peytonsville area of Southwest Williamson County	Fy 93	100,000
R-91	Williamson		Phase I - Native American Indian History	FY 94	200,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL RECREATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Center - Site plans and drawings		
R-92	Williamson		Phase II - Native American Indian History Center - preliminary site work	FY 95	800.000
R-93	Williamson	Brentwood	Construct East Park for eastern residents	FY 93	2,400,000
R-94	Williamson	Brentwood	Construct a linear park to connect the existing park facilities	FY 92	190,000
R-95	Williamson	Brentwood	Granny White Recreation Complex - 30 acres	FY 91	1,900,000
R-96	Williamson	Fairview	Develop 800 acre park in Fairview and provide the basic facilities and infrastructure	FY 91	130.000
R-97	Williamson	Franklin	Develop a park on east side of the city	Fy 92	412,000
R-98	Williamson	Franklin	Improvements to the Jim Warren Park	Fy 91	120,000
R-99	Williamson	Franklin	Acquire Monsanto property for park	Fy 91	468,000
R-100	Williamson	Franklin	Improvements to streets and reroute the traffic through Jim Warren Park	FY 93	80,000
R-101	Wilson		Improve Fairgrounds - Ward Agricultural Center- into City-County Park, multi purpose center	Fy 93	500.000
R-102	Wilson		Development of a tournament softball facility at fairgrounds	FY 92	80.000
R-103	Wilson		Develop horse and walking trails in Cedar Forest	Fy 93	75,000
R-104	Wilson		Develop recreational facilities throughout the county, walking, riding trails, open space and greenbelts	Fy 94	1,000,000
R-105	Wilson	Lebanon	Addition of family picnic area and shelters in Lebanon City parks	FY 91	75,000
				TOTAL	$$$$96,953,500

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL SOLID WASTE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SW-1	Dickson	Charlotte	Develop a recycling center - centrally located within the town	FY 91	100,000
SW-2	Humphreys	New Johnsonvilie	Establish a central recycling separation center	Fy 94	50,000
SW-3	Robertson	Springfield	Collection equipment replacement (4 year program)	FY 91	200,000
SW-4	Rutherford	Murfreesboro	Establish a city recycling project which is proposed as curb side recycling	Fy 91	90,000
SW-5	Sumner	Hendersonville	Purchase hydraulic trash loader	FY 92	37,000
SW-6	Williamson	Franklin	Move the solid waste maintenance building	Fy 92	1,500,000
SW-7	Williamson	Franklin	Acquire four 1 ton trash trucks	FY 91	80,000
SW-8	Williamson	Franklin	Acquire front loading dumpster truck and transfer tractor	Fy 92	100,000
SW-9	Williamson	Franklin	Acquire tubgrinder and composter	FY 91	225,000
SW-10	Williamson	Franklin	Acquire automated loadpacker	Fy 93	100,000
				TOTAL	$$$$$2,482,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SOLID WASTE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SW-1	Cheatham		Expand recycling efforts to 8 convenience centers (5 year program)	FY 91	144,000
SW-2	Cheatham		Establish a regional landfill in Cheatham County, 300 total acres and will develop 30 acres at a time (cost reflects land acquisition as leased or donated and development of 1st and 2nd years acreage - 60 acres)	FY 94	10,800,000
SW-3	Davidson		Building demolition and construction material landfill - acquisition and development	FY 92	2,500,000
SW-4	Davidson		Mechanical recycling facility for Nashville Thermal Transfer	FY 95	15,000,000
SW-5	Davidson		Landfill Site Development - Phase II	FY 91	10,000,000
SW-6	Davidson		Acquire and prepare a landfill site - Phase I	FY 91	500,000
SW-7	Davidson		Thermal Ash landfill - Phase II	FY 91	300,000
SW-8	Dickson		Purchase equipment for the baler shed - rubber tire front end loader	FY 91	75,000
SW-9	Dickson		Purchase a tire shreader for the baler shed	Fy 91	25,000
SW-10	Dickson		Develop a 20 acre landfill (cost reflects property acquisition and development of 2 acres per year over the period covered in the report)	Fy 91	1,940,000
SW-11	Dickson		Construction of a regional cogeneration plant to burn solid waste	Fy 95	20,000,000
SW-12	Dickson		Replace all green boxes with larger containers that will hold 20-30 yards of solid waste	Fy 92	500,000
SW-13	Dickson		Add 3 additional controlled green box sites	FY 91	75,000
SW-14	Houston		Develop a new landfill,(cost reflects	FY 91	1,800,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SOLID WASTE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			development of 2 acres per year over the period covered in this report)		
SW-15	Humphreys		Purchase land fill Equipment - Packer Truck	Fy 94	130,000
SW-16	Humphreys		Purchase landfill equipment - D7 Bulldozier	Fy 91	152,000
SW-17	Humphreys		Establish a centralized solid waste collection, with 3 secure collection centers	Fy 92	120,000
SW-18	Humphreys		Close the old land fill and open new one on adjacent 93 acres, (cost reflects property acquisition and development of 2 acres per year over the period covered in this report)	FY 91	2,265,000
SW-19	Montgomery		Replacement of refuse truck - front loader (rural collection)	Fy 91	280,000
SW-20	Montgomery		Lagoon for waste treatment of sewage and leachate	FY 91	150,000
SW-21	Montgomery		Pick-up truck replacements (landfill)	Fy 91	42,000
SW-22	Montgomery		Methane Collection (landfill)	FY 91	100,000
SW-23	Montgomery		Wheel loader replacement (landfill)	Fy 95	120,000
SW-24	Montgomery		Development of second phase of landfill	Fy 95	500,000
SW-25	Montgomery		Landfill closeout - state mandate	Fy 91	250,000
SW-26	Montgomery		Track tractor replacement (landfill)	Fy 93	130,000
SW-27	Montgomery		Semi-tractor replacements (transfer stations)	Fy 91	160,000
SW-28	Montgomery		Recycle equipment (landfill)	Fy 91	800,000
SW-29	Montgomery		Replacement of leachate lift station (landfill)	FY 95	10,000
SW-30	Robertson		Expand the solid waste collection	FY 92	300,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SOLID WASTE PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SW-31	Robertson		Construction of recycling facility	FY 91	3,000,000
SW-32	Robertson		Prepare existing landfill for new regulation - adding liners, (cost reflects development of 2 acres per year over the period of this report)	FY 91	1,800,000
SW-33	Rutherford		Buy and develop a new 500 acre county landfill, (cost reflects property acquisition and development of 2 acres per year over the period covered in this report)	FY 92	6,440,000
SW-34	Sumner		Building a central processing facility for developing Refuse Derived Fuel as joint project with the TVA	FY 91	4,600,000
SW-35	Sumner		Develop a new demolition landfill	FY 91	300,000
SW-36	Trousdale		New landfill of 20-22 acres (clay liner on leased land) This cost reflects property acquisition and development of 1 acre per year over the period covered in this report.	FY 91	610,000
SW-37	Trousdale	Hartsville	Central Processing center for solid waste, baling and recycling	FY 92	5,000,000
SW-38	Williamson		Establish a Regional Recycling Center as a public private endeavor with Waste Management	FY 92	1,000,000
SW-39	Williamson		Establish 10 additional recycling convenience centers, 2 per year	Fy 91	300,000
SW-40	Wilson		Set up a county wide recycling system with collection centers	FY 95	200,000
SW-41	Wilson		Purchase and develop an additional 100 acres for a landfill	FY 93	750,000
SW-42	Wilson		Construction of a solid waste transfer station and purchase a 40-50 cubic yard compactor	FY 95	250,000
				TOTAL	$$$$93,410,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-1	Davidson		Purchase fire boat and equipment to fight waterfront fires	FY 91	400,000
SF-2	Davidson	Goodlettsville	Construct an additional Fire Hall	FY 92	500,000
SF-3	Dickson	Dickson	Purchase of a new water tanker.	FY 91	105,000
SF-4	Dickson	Dickson	Construction of fire and police substation in the Pomona Area.	FY 91	160,000
SF-5	Humphreys	New Johnsonville	Construct a new city hall with an attached firehall	FY 93	250,000
SF-6	Montgomery	Clarksville	Construct a new two bay fire station in area of new North Parkway	FY 95	167,000
SF-7	Montgomery	Clarksville	Purchase a 1000 GPM Class A four-door Pumper, fully equipped	Fy 94	180,000
SF-8	Montgomery	Clarksville	Enlarge and remodel Station #7 (Airport Station)	Fy 92	150,000
SF-9	Montgomery	Clarksville	Purchase 1000 GPM, 4-door pumper, fully equipped	FY 91	175,000
SF-10	Montgomery	Clarksville	Relocation of Street and Gas and Water Department Building	FY 91	2,000,000
SF-11	Montgomery	Clarksville	Construct a new fire station to replace Station 5 on Cave Street	FY 91	152,000
SF-12	Robertson	Adams	Sidewalks on Church St..,SR 76 and Main ST.	FY 92	8,000
SF-13	Robertson	Adams	Add bay to Fire Station for new Pumper truck	FY 93	50,000
SF-14	Robertson	Springfield	Public ownership of Cable TV	FY 92	3,750,000
SF-15	Robertson	Springfield	Build a new Police Station	FY 92	500,000
SF-16	Robertson	Springfield	Renovation and expansion of City Hall	FY 91	850,000
SF-17	Robertson	Springfield	Build a new Fire Department Substation with equipment	FY 94	325,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-18	Robertson	White House	Construct a new Municipal Public Works Building	FY 92	100,000
SF-19	Robertson	White House	Construction of fire hall #2 in the southern areas of the city adjacent to 31W - south	FY 93	150,000
SF-20	Robertson	White House	Purchase of new quick response fire pumper	FY 93	75,000
SF-21	Sumner	Hendersonville	Acquire 1500 GPM Class A pumper with a 1000 gallon tank fully equipped for Station #5	FY 94	210,000
SF-22	Sumner	Hendersonville	Purchase a 100' aerial truck built on a tractor-trailer chassie	FY 95	425,000
SF-23	Sumner	Hendersonville	Purchase a 1500 GPM Class A Pumper with a 1000 gallon tank fully equipped	FY 95	215,000
SF-24	Sumner	Hendersonville	8" water main with three fire hydrants from White House Utility supply main in rear of Fire Station #2 (to be used for training)	FY 91	34,680
SF-25	Sumner	Hendersonville	Purchase Hi-Pressure #1 is a combination vehicle providing deluge gun, foam, and hose tender capabilities with off the road ability	FY 95	88,400
SF-26	Sumner	Hendersonville	Upgrade Fire Department's communication equipment (ongoing program)	FY 91	130,485
SF-27	Sumner	Hendersonville	City-wide computer system	FY 91	60,000
SF-28	Sumner	Hendersonville	Upgrade the Emergency Management Office's communication equipment (ongoing program)	FY 91	15,500
SF-29	Sumner	Hendersonville	Police Department computer upgrading program (4 year program)	FY 91	537,000
SF-30	Sumner	Hendersonville	Establish Geographic Information Systems for both the Engineering and Planning Departments	FY 91	95,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-31	Sumner	Hendersonville	Construct a fuel storage and distribution facility	FY 91	70,000
SF-32	Sumner	Hendersonville	Purchase new fire pumper truck for Fire Station #4	FY 91	195,000
SF-33	Sumner	Hendersonville	Acquire city warning sirens to warn citizens of pending disaster	FY 91	39,000
SF-34	Sumner	Hendersonville	Upgrade the Police Department's communication system (ongoing program	FY 91	106,81
SF-35	Sumner	Hendersonville	Construct Fire Station #4	FY 91	454,000
SF-36	Sumner	Hendersonville	Fire Protection Distribution System which includes fire hydrants and possible water mains to be installed (ongoing program)	FY 91	541,424
SF-37	Sumner	Hendersonville	Ongoing sidewalk construction program	FY 91	200,000
SF-38	Sumner	Hendersonville	Construct a Public Safety Building	FY 91	2,320,000
SF-39	Sumner	Hendersonville	Construct Fire Station #6	FY 95	495,960
SF-40	Sumner	Hendersonville	Upgrade Fire Dept. Communications (ongoing program)	FY 91	273,760
SF-41	Sumner	Hendersonville	Construct Fire Station #5	FY 94	551,000
SF-42	Williamson	Brentwood	Purchase fire engine for Station #3	FY 95	185,000
SF-43	Williamson	Brentwood	Computerized mapping system	FY 91	100,000
SF-44	Williamson	Brentwood	Construct emergency services training center in south Brentwood	FY 95	1,500,000
SF-45	Williamson	Brentwood	Acquire site for Fire Station #4	FY 93	50,000
SF-46	Williamson	Brentwood	Purchase a medium rescue vehicle to locate at Station 1	FY 92	160,000
SF-47	Williamson	Brentwood	Construct a City Service Center on General Patton Drive	FY 91	1,000,000
SF-48	Williamson	Brentwood	Construct a City Fire Station in South	Fy 91	500,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			West part of city		
SF-49	Williamson	Fairview	Expansion of Fairview City Hall	FY 93	50,000
SF-50	Williamson	Franklin	Drainage improvements in Parkview Drive Area	FY 91	275,000
SF-51	Williamson	Franklin	Drainage improvements in Battle Ave. Drainage area	FY 91	250,000
SF-52	Williamson	Franklin	Acquire land and construct Fire Station #1	FY 92	1,250,000
SF-53	Williamson	Franklin	Acquire fire equipment, fire engine, mini-pumper and staff car	FY 91	204,700
SF-54	Williamson	Franklin	Acquire land, construct and furnish Fire station #3	Fy 91	887,000
SF-55	Williamson	Franklin	Drainage improvements in Cadet Home/ Hill Estates area	FY 91	375,000
SF-56	Williamson	Franklin	Replace Engine # 13	FY 93	200,000
SF-57	Wilson	Lebanon	Build police station in western part of city	FY 93	200,000
SF-58	Wilson	Lebanon	Expand City Hall	FY 92	750,000
SF-59	Wilson	Lebanon	Build a new fire station	FY 93	350,000
SF-60	Wilson	Mt. Juliet	Construct a new City Hall facility	FY 93	500,000
SF-61	Wilson	Watertown	Improvements to sidewalks	Fy 91	30,000
				TOTAL	$$$$26,021,720

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-1	Cheatham		Construct a new school in south Cheatham County	Fy 94	2,000,000
SF-2	Cheatham		Develop and implement a County wide fire protection plan	Fy 92	4,000,000
SF-3	Cheatham		Develop an animal control facility for the county	Fy 93	20,000
SF-4	Cheatham		Expand Public Library	FY 92	170,000
SF-5	Cheatham	Ashland City	Downtown Revitalizaton Needed	FY 92	500,000
SF-6	Cheatham	Ashland City	Develop a civic/community center	Fy 93	500,000
SF-7	Cheatham	Kingston Springs	Develop 30 acres along I-40 into a multi-purpose Commercial Office Park	FY 93	500,000
SF-8	Cheatham	Kingston Springs	Develop a civic/community center for Kingston Springs	Fy 93	500,000
SF-9	Cheatham	Pegram	Develop 8 - 10 acres into small Commercial Retail Center	FY 93	500,000
SF-10	Davidson		Renovate Courthouse to provide courtroom and offices for Fourth Criminal Court	FY 91	750,000
SF-11	Davidson		Renovate Juvenile Court Facilities	FY 91	6,025,000
SF-12	Davidson		Acquire 5.3 acre property at 800 Second Avenue North to provide space for administrative functions of the Metropolitan Government	FY 91	2,200,000
SF-13	Davidson		Courthouse Renovation	FY 91	3,500,000
SF-14	Davidson		Deberry Correctional Facility - Phase I	FY 91	11,000,000
SF-15	Davidson		Deberry Correctional Facility - Phase II	FY 94	31,000,000
SF-16	Davidson		Build a new Pathological and infectious waste incinerator and a building to house the incinerator	FY 91	150,000
SF-17	Davidson		Build a new ambulatory patient care center at General Hospital	FY 93	14,950,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-18	Davidson		Expand the physical therapy department at General Hospital to include Cardiac rehabilitation	FY 92	143,000
SF-19	Davidson		Expand the neonatal intensive care unit at General Hospital	FY 92	82,500
SF-20	Davidson		Renovate and add two floors to Criminal Justice Center	FY 91	10,500,000
SF-21	Davidson		Criminal Justice System Design	FY 91	500,000
SF-22	Davidson		Sugartree Creek Storm Sewers	FY 93	250,000
SF-23	Davidson		Storm Water Treatment Plant criteria to meet Environment Protection Agency requirements	FY 91	1,000,000
SF-24	Davidson		Storm Drainage improvements and corrections in the Urban Services District	Fy 91	1,395,000
SF-25	Davidson		Mill Creek Storm Sewers - Kermit Drive Area	FY 95	500,000
SF-26	Davidson		Mill Creek Storm Sewers - Nolensville Pike to Thompson Lane	FY 92	1,600,000
SF-27	Davidson		Mill Creek Storm Sewers - Glenrose Avenue to Foster Avenue	FY 94	850,000
SF-28	Davidson		Mill Creek Storm Sewers - Miscellaneous small sewers	FY 91	800,000
SF-29	Davidson		Herman Street Storm Drainage - 19th Avenue N. to 21st Avenue N.	FY 91	400,000
SF-30	Davidson		Cumberland River Storm Sewers - 20th Ave. S. to Portland Ave	FY 95	450,000
SF-31	Davidson		Cumberland River Storm Sewers - Jefferson St. to Railroad	FY 93	750,000
SF-32	Davidson		Urban Services District basin improvements (5 year program)	FY 91	5,000,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-33	Davidson		Browns Creek Storm Sewers - Graybar Lane to Grandview area	FY 94	900,000
SF-34	Davidson		East Nashville Storm Sewers - Gallatin Pike to Cahal Avenue	FY 92	1,000,000
SF-35	Davidson		East Nashville Storm Sewers - Rosebank Avenue to Eastland Avenue	FY 91	1,000,000
SF-36	Davidson		Construct Lateral Storm Sewers to Wilson Springs Trunk	FY 91	1,200,000
SF-37	Davidson		Ewing Creek Storm Drainage improvements	FY 93	1,000,000
SF-38	Davidson		East Nashville Storm Sewers - Pugsleys Branch - extension and separation	FY 93	400,000
SF-39	Davidson		Browns Creek Storm Sewers - Murfreesboro Pike to Aladdin Industries	FY 91	1,600,000
SF-40	Davidson		Browns Creek Storm Sewers - 9th Ave. So. to Kirkwood Lane	FY 91	900,000
SF-41	Davidson		Separate and Rehabilitate Broadway Storm Sewer	FY 93	500,000
SF-42	Davidson		Belmont Avenue Storm Sewer	FY 94	400,000
SF-43	Davidson		Expand Storm drainage into Antioch and Edge-O-Lake area (5 year program)	FY 91	5,000,000
SF-44	Davidson		McCrory Creek Storm Drainage and Lateral Improvements - Elm Hill Pike area	Fy 91	700,000
SF-45	Davidson		Number Drive Drainage - Number Drive to Sevenmile creek	FY 91	1,700,000
SF-46	Davidson		Hillhurst Acres Storm Drainage - Stanwyck Drive to Ewing Place	Fy 91	400,000
SF-47	Davidson		Union Station Redevelopment District - downtown revitalization - (3 year program)	FY 93	15,000,000
SF-48	Davidson		Replace existing transit maintenance and operations facility	Fy 93	21,450,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-49	Davidson		Replace WPLN broadcast antenna with new technology	FY 91	250,000
SF-50	Davidson		Relocate WPLN broadcast facility and renovate new facility	FY 91	250,000
SF-51	Davidson		Construct Civic arena	FY 92	120,000,000
SF-52	Davidson		Gibson Creek Drainage Project	FY 91	600,000
SF-53	Davidson		Ryman Center-Capitol Mall Redevelopment Project (multi-year program)	Fy 92	20,000,000
SF-54	Davidson		Miscellaneous Storm Drainage improvements in the General Services Area (4 year program)	Fy 91	4,900,000
SF-55	Dickson		Consolidate all State offices into one building	FY 92	500,000
SF-56	Dickson		Add 30 beds to the County Nursing Home	Fy 92	50,000
SF-57	Dickson		Build a new addition to the Courthouse Annex	FY 94	700,000
SF-58	Dickson		Expand the public health clinic	Fy 91	500,000
SF-59	Dickson		Expand the county library	Fy 92	350,000
SF-60	Dickson		Develop a county wide fire and EMT system	FY 93	1,500,000
SF-61	Dickson		Addition to the County Jail	FY 92	3,500,000
SF-62	Dickson		Compatable Communication Equipment in all Firehalls	FY 93	150,000
SF-63	Dickson		Build an office building for the Board of Education	Fy 92	700,000
SF-64	Houston		Expand and renovate the Houston County Courthouse	Fy 93	400,000
SF-65	Houston		Add 8 - 10 cells to the County Jail	Fy 94	150,000
SF-66	Houston		Construct a new county school	Fy 95	5,500,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
SF-67	Houston		Renovation of existing National Guard Building for Community Center	Fy 95	100,000
SF-68	Humphreys		Rural fire protection - trucks, communication, stations	Fy 91	500,000
SF-69	Humphreys		Renovation of the Courthouse	Fy 92	50,000
SF-70	Humphreys		Construct a new office and records building for the county	FY 92	300,000
SF-71	Humphreys		Build a new county jail	FY 94	1,600,000
SF-72	Humphreys		Hurricane Creek water shed drainage project to construct a 20 acre lake for improved drainage	FY 95	1,250,000
SF-73	Humphreys	Waverly	Construction of a community center in Waverly on US 70	FY 92	300,000
SF-74	Montgomery		Third ambulance station strategically located inside Montgomery County	Fy 91	85,000
SF-75	Montgomery		Upgrade agency's mapping program	FY 91	15,000
SF-76	Montgomery		Fort Defiance and Sevier Station renovation	FY 91	41,500
SF-77	Montgomery		Exterior renovation of Historical Museum	Fy 91	339,500
SF-78	Montgomery		Construction of branch library facility in St. Bethlehem Area	Fy 94	50,000
SF-79	Montgomery		Land for new YMCA facility	FY 92	175,000
SF-80	Montgomery		Preservation lab of Historical Museum	FY 91	38,000
SF-81	Montgomery		New Senior Citizens facility at Murtlank Field	Fy 91	335,530
SF-82	Montgomery		Expansion of current Main Library facility and renovation of current children's section in conjunction with expansion	Fy 93	109,000
SF-83	Montgomery		Construction of branch library - North	FY 93	50,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Clarksville/Cunningham Lane/ Hwy.41A location		
SF-84	Montgomery		New Support Services Building for Historical Museum	Fy 91	100,000
SF-85	Montgomery		Additional office space and storage room on 6th floor of CJC (1500 Sq.ft.)	FY 91	30,000
SF-86	Montgomery		Purchase and installation of total Library Automation System	Fy 94	37,200
SF-87	Montgomery		Replace one outdated modular ambulance and expand fleet to seven units	Fy 91	214,000
SF-88	Montgomery	Clarksville	Installation of overflow drain for Meadowbrook sinkhole	FY 91	1,525,000
SF-89	Robertson		Build a new National Guard Amory	FY 93	1,000,000
SF-90	Robertson		Construction of an ambulance substation in the southern part of the County	FY 93	200,000
SF-91	Robertson		Construction of a county dog pound	FY 92	20,000
SF-92	Robertson		Construction of a Correctional Facility including a General Sessions Courtroom	FY 92	3,500,000
SF-93	Robertson		Renovation and additions to existing school facilities	FY 92	3,000,000
SF-94	Robertson		Renovation of courthouse	FY 92	1,500,000
SF-95	Robertson		Major hospital expansion	FY 92	20,000,000
SF-96	Robertson		Renovate old National Guard Armory for county offices	Fy 93	200,000
SF-97	Robertson	Springfield	5 year citywide storm drainage project	FY 91	1,000,000
SF-98	Rutherford	Smyrna	New fire stations in the Airbase area and Almaville Road area	FY 91	1,000,000
SF-99	Stewart		Hickman Creek Multi-use Recreation Complex - a Public-Private partnership	FY 95	12,000,000
SF-100	Sumner		Renovation of Courthouse and add new	FY 92	500,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			courtroom on 2nd floor		
SF-101	Sumner		Major renovation and expansion of Hospital	FY 91	8,000,000
SF-102	Sumner		Build a new library in Westmoreland	FY 91	200,000
SF-103	Sumner		Expand the Jail by adding minimum security area and build a new general sessions courtroom	FY 92	400,000
SF-104	Sumner		Renovate old Gallatin High School into a facility for the Board of Education	FY 92	750,000
SF-105	Sumner		Construct 3 new schools in the county - Hendersonville High, Millersville and Bethpage Elementary	FY 92	18,000,000
SF-106	Sumner	Hendersonville	Addition to the Hendersonville library	FY 92	50,000
SF-107	Sumner	Hendersonville	Miscellaneous Major Drainage Projects (5 year program)	FY 91	310,000
SF-108	Sumner	Hendersonville	Annual Storm Drainage Program	FY 91	570,000
SF-109	Sumner	Hendersonville	Major Drainage project on Connie Drive and Cumberland Shores Drive	FY 91	283,000
SF-110	Sumner	Hendersonville	Master Drainage Plan to alleviate flooding	FY 91	40,000
SF-111	Sumner	Portland	Expansion of Library	FY 91	120,000
SF-112	Trousdale	Hartsville	Community Theater and facilities building	FY 94	250,000
SF-113	Trousdale	Hartsville	New Ambulance service building	FY 93	250,000
SF-114	Williamson		New schools - Lipscomb and Grassland	FY 93	11,000,000
SF-115	Williamson		New Sheriff patrol/fire stations in Fairview, Bethesda, Peytonsville	FY 92	556,000
SF-116	Williamson		Renovation of Economic Development Center	FY 92	50,000
SF-117	Williamson	Brentwood	Integrated Library Automation of	FY 91	100,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL SUPPORT FACILITIES PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			circulation, cataloging, acquisitions, public access catalog, fund accounting tasks		
SF-118	Wilson		Purchase additional land at Fairgrounds for RV parking and develop for national convention of recreational vehicles in 1993	FY 92	100,000
SF-119	Wilson		Rehabilitation of old County Jail into usable space	FY 92	500,000
SF-120	Wilson		Develop 5 fire stations and EMT equipment over the county	FY 93	1,000,000
SF-121	Wilson		Renovation of old Middle Tennessee Electric building to house the E-911 services	FY 91	100,000
SF-122	Wilson		Construction of a new County Administrative Office Building	FY 93	3,000,000
SF-123	Wilson	Mt. Juliet	Build a West Wilson Health Facility	FY 94	800,000
				TOTAL	$$$413,840,030

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
LOCAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-1	Cheatham	Kingston Springs	City Street improvements program	Fy 91	240,000
T-2	Dickson	Dickson	Paving of streets and roads in newly annexed areas (approved upon annexation)	FY 91	200,000
T-3	Montgomery	Clarksville	General Road improvements	FY 91	2,000,000
T-4	Robertson	Adams	Improve Church St. At SR 76	FY 93	100,000
T-5	Robertson	Orlinda	Improve intersection of SR 49 and SR 52 - move telephone pole	FY 93	500,000
T-6	Rutherford	LaVergne	Upgrade Mason Road	Fy 93	200,000
T-7	Stewart	Dover	Purchase Street Cleaning equipment	FY 92	75,000
T-8	Williamson	Franklin	Improve First Ave. South and South Margin St.	FY 92	255,000
T-9	Wilson	Watertown	Street improvements program - resurfacing improvements to and general maintenance to city streets	FY 91	20,000
				TOTAL	$$$$$3,590,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-1	Cheatham		Ashland City By-Pass from SR 49 to SR 12	Fy 93	500,000
T-2	Cheatham		Widen and improve SR 249 from US 70 to I-40	Fy 92	8,010,000
T-3	Cheatham		Replace or refurbish Cumberland River Bridge on SR 49	FY 94	9,900,000
T-4	Cheatham		Widen and improve to state requirements Craggy Hope Road which is an access from White Bluff to I-40	Fy 93	4,070,000
T-5	Cheatham		Improve the intersection of SR 49 and SR 249	FY 92	300,000
T-6	Cheatham		Improve intersection of SR 12 and Lockertsville Road	FY 92	450,000
T-7	Davidson		Reconstruct and widen Cane Ridge Road	FY 91	5,000,000
T-8	Davidson		Construct new road through Cockrill Bend Industrial Park	FY 91	5,410,000
T-9	Davidson		Widen and replace the Church Street Viaduct over the CSX railroad	Fy 91	7,300,000
T-10	Davidson		Reconstruct and widen Edmondson Pike - Nolensville Rd. to Williamson Co. line	FY 91	475,000
T-11	Davidson		Acquisition and reconstruction of 3rd Avenue North -Gay St. to I- 265	FY 91	2,336,000
T-12	Davidson		Reconstruct and widen Due West Avenue - I-65 to Dickerson Rd.	FY 95	3,050,000
T-13	Davidson		Reconstruct and widen Andrew Jackson Parkway	FY 91	3,382,000
T-14	Davidson		Modify intersection of Donelson Pike and Lebanon Road	FY 91	300,000
T-15	Davidson		Reconstruct and widen Armory Drive Extension	FY 94	680,000
T-16	Davidson		Replace Demonbreun St. Viaduct over the CSX railroad	Fy 91	6,975,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-17	Davidson		Widen Battery Lane (Harding Place) from Franklin Road to Hillsboro Rd.	FY 91	5,000,000
T-18	Davidson		Feasibility study for alternate bridge crossing over Cumberland River Bridge	Fy 91	200,000
T-19	Davidson		Reconstruct and widen Bell Road - Smith Springs Road to Murfreesboro Pike	FY 91	750,000
T-20	Davidson		Reconstruct and widen Conference Drive	FY 91	1,700,000
T-21	Davidson		Reconstruct and widen Elm Hill Pike from I-40 to Pleasant Hill Road	FY 91	1,900,000
T-22	Davidson		Relocation of Coley Davis Road	FY 91	2,300,000
T-23	Davidson		Reconstruct and widen Antioch Pike	FY 91	9,950,000
T-24	Davidson		Reconstruct and Widen Bell Road - Stewarts Ferry Pike to Elm Hill Pike	FY 92	2,350,000
T-25	Davidson		Reconstruct and widen Briarville Road	FY 91	956,500
T-26	Davidson		Reconstruct and widen Anderson Road	FY 91	3,529,000
T-27	Davidson		Armory Drive Extension - Bridge and Approaches over CSX railroad	FY 95	9,450,000
T-28	Davidson		Reconstruct and widen Central Pike including a bridge over Stoner Creek	FY 91	4,700,000
T-29	Davidson		Reconstruct and Widen Brick Church Pike	FY 91	3,210,000
T-30	Davidson		Widen Church Street east to Williamson County line	FY 91	700,000
T-31	Davidson		Reconstruct and widen Chandler Road including a bridge over Dry Creek	FY 91	3,350,000
T-32	Davidson		Bridge Rehabilitation Program - General Services District	FY 91	5,000,000
T-33	Davidson		Reconstruct and widen Shute Lane from Old Hickory Boulevard to Saundersville Road	FY 91	900,000

BREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-34	Davidson		Reconstruct and widen Sidco Dr. from Powell Avenue to Harding Place	FY 91	1,622,000
T-35	Davidson		Reconstruct and widen Smith Springs Road	FY 91	2.100,000
T-36	Davidson		Smith Springs Road Extension from Anderson Road to Hobson Pike	FY 95	2,540,000
T-37	Davidson		Relocate intersection and provide additional turn lanes for Stewarts Ferry Pike and Lebanon Road intersection	FY 91	900,000
T-38	Davidson		Reconstruct and widen Trinity Lane	FY 91	5,942,000
T-39	Davidson		Upgrade intersection of Una-Antioch Pike and Hickory Hollow Parkway	FY 91	4,750,000
T-40	Davidson		Reconstruct and Widen Una-Antioch Pike from Murfreesboro Pike to Blue Hole Road	FY 95	5,000,000
T-41	Davidson		Reconstruct and widen Saundersville Road from Andrew Jackson Parkway at Shute Lane to Wilson Co. line	FY 91	617,000
T-42	Davidson		McGavock Pike - intersection improvements from Elm Hill Pike to Briley Parkway	FY 91	500,000
T-43	Davidson		Replace the Albion Street Railroad Underpass at the Cheatham County and Davidson County Railroad	FY 91	350,000
T-44	Davidson		Constuct an aircraft maintenance facility	Fy 91	10,000,000
T-45	Davidson		Update the Airport Master Plan to identify long-range requirements of Nashville International Airport	FY 91	490,000
T-46	Davidson		Implement the noise compatibility program in area surrounding the Nashville International Airport (4 year program)	FY 91	42,965,000
T-47	Davidson		Rehabilitation of Shelby Street Bridge	FY 91	2,636,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-48	Davidson		Reconstruct and widen Poplar Creek Road from Old Harding Road to McCrory Lane	FY 91	1,310,000
T-49	Davidson		Reconstruct and widen Old Hickory Boulevard from Cane Ridge connector road to I-24	FY 92	1,200,000
T-50	Davidson		Computerize signal system (3 year program)	Fy 93	300,000
T-51	Davidson		Reconstruct Old Harding Pike from SR 100 to US 70 south	FY 95	500,000
T-52	Davidson		Improve off street parking facilities in the CBD fringe	Fy 92	1,325,000
T-53	Davidson		Reconstruct and widen Neelays Bend Road from Gallatin Pike to Menees Lane	FY 94	5,000,000
T-54	Davidson		Widen Rural Hill Road from Murfreesboro Pike to Mt. View Road	FY 91	2,500,000
T-55	Davidson		Install new traffic signals and modify existing signals as needed	FY 91	560,000
T-56	Davidson		Make Major intersection improvements and install signs to provide for preferential lanes for buses and carpools	Fy 91	1,100,000
T-57	Davidson		Reversible traffic lane project	Fy 91	1,500,000
T-58	Davidson		Rehabilitation of existing roads throughout the county (ongoing program)	FY 91	12,000,000
T-59	Davidson		Intersection improvements at Mt. View Road and Hickory Hollow Parkway	Fy 91	500,000
T-60	Davidson		Intersection improvements and additional turn lanes for collector streets in 20 locations (5 year Program)	Fy 91	10,000,000
T-61	Davidson		Reconstruct and widen Hickory Hollow Parkway from Hickory Hollow Mall to Una Antioch Pike	FY 94	4,300,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-62	Davidson		McGavock Pike and Lebanon Road intersection modification	FY 91	340,000
T-63	Davidson		Rehabilitation and Construction of Jefferson St. Bridge	FY 91	11,500,000
T-64	Davidson		Extend runway 13-31 700 feet	Fy 91	2,000,000
T-65	Davidson		Expand the Transit Mall	FY 91	1,000,000
T-66	Davidson		Develop Park-N-Ride lots and High Occupancy Vehicle Lanes	FY 91	1,900,000
T-67	Davidson		Widen and improve Jefferson St. from 4th Ave. N to 8th Ave. N	FY 91	1,682,000
T-68	Davidson		Replace Alameda St. Railroad Underpass at the Cheatham County and Davidson County Railroad	FY 91	350,000
T-69	Davidson		Reconstruct and widen Graycroft Avenue from Due West Avenue to Old Hickory Blvd.	FY 91	900,000
T-70	Davidson		Bridge rehabilitation - Urban Services District - three year program	FY 91	3,000,000
T-71	Davidson	Goodlettsville	Reconstruction of Conference Drive	FY 95	3,500,000
T-72	Dickson		Widen and improve SR 48 from City of Dickson to the Hickman County line approximately 9.2 miles	FY 93	13,000,000
T-73	Dickson		Extend SR 46 through Hickman County to meet SR 7 in Maury County	FY 94	28,000,000
T-74	Dickson		I-840 North	FY 95	115,500,000
T-75	Dickson		Widen to four lanes and improve SR 46 from I-40 to US 70	FY 92	8,000,000
T-76	Dickson		Widen to four lanes and improve SR 48 from US 70 in Dickson to the Montgomery County line	FY 93	34,400,000
T-77	Dickson		Full Connector between I-40 and SR 96 at	FY 95	5,000,000

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REGIONAL CAPITAL IMPROVEMENTS PROGRAM
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			the I-840 S interchange approximately [illegible] miles		
T-78	Dickson		Widen U.S. 70 to four lanes from Cheatham County line to Humphreys County line approximately 19.2 miles	Fy 94	38,400,000
T-79	Dickson		Extend the airport runway from 4,500 ft to 5,000 ft and enlarge the apron	Fy 93	198,000
T-80	Dickson		I-840 South	Fy 91	27,568,000
T-81	Dickson		Improve SR 49 from Charlotte to Cheatham County line	Fy 95	20,250,000
T-82	Dickson		Improve and widen SR 46 from Houston County line to Dickson, 18 miles	Fy 93	27,000,000
T-83	Dickson	Dickson	Extend SR 96 north to SR 48 bypass	FY 93	3,750,000
T-84	Dickson	Dickson	Reshaping, paving and widening of Old Columbia Road for better access to the Industrial Park.	FY 91	125,000
T-85	Houston		Establish a Ferry line on the Tennessee River From SR 147 to Benton County	Fy 93	100,000
T-86	Houston		Construct a Tennessee River Barge Facility	Fy 94	50,000
T-87	Houston		North-South Parkway from Humphreys County line to Stewart County line - part of the Cuba Landing to I-40 connector	FY 95	35,750,000
T-88	Houston		Four lane SR 49 from Stewart County line to Erin, and SR 13 from Erin to the Humphreys County line, 14 miles	Fy 95	15,000,000
T-89	Houston		Improve and widen SR 46 from Erin to Dickson County line, 10 miles	Fy 92	2,500,000
T-90	Houston	Erin	Widen and resurface Mobley Lane	FY 93	300,000
T-91	Houston	Tennessee Ridge	Widen and resurface Mobley Lane	FY 93	300,000
T-92	Houston	Tennessee Ridge	Improve intersection of SR 147 and SR 49	Fy 93	75,000

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REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-93	Humphreys		Improve and four lane US 70 from Dickson County line to the Tennessee River Bridge - 25 miles	Fy 92	50,400,000
T-94	Humphreys		Extend the airport runway to 5,000 ft., extend the taxiway and make improvements to the hangar	FY 92	150,000
T-95	Humphreys		Four lane SR 13 from Houston County line to I-40 - 20 miles	Fy 93	56,600,000
T-96	Humphreys		Improve the connector road to the TVA Power plant	FY 93	300,000
T-97	Humphreys		North South Parkway from Cuba Landing I-40 interchange to Houston County Line - 27 Miles	FY 95	135,000,000
T-98	Humphreys		Lighting of intersection of I-40 and SR 13	Fy 91	140,000
T-99	Humphreys	New Johnsonville	Improve the access road into the New Johnsonville Historic Park	Fy 94	2,000,000
	Humphreys	New Johnsonville	Improvements to the industrial access road from DuPont road to Linde Company	Fy 92	350,000
T-101	Humphreys	New Johnsonville	Improve and widen 3-5 miles of Long Street	FY 93	500,000
T-102	Humphreys	Waverly	Improve the Clydeton Road and By-Pass interchange	FY 93	150,000
T-103	Humphreys	Waverly	Improve the interchange of SR 13 and By-Pass	FY 93	150,000
T-104	Humphreys	Waverly	Upgrade and improve Powers Boulevard from US 70 to Waverly Industrial Park	FY 92	450,000
T-105	Montgomery		Clear approach of Runway 35 to remove obstructions to instrument runway	Fy 93	50,000
T-106	Montgomery		Life-Pak Monitor defibrulators	Fy 91	10,500
T-107	Montgomery		Acquire property west of Tobacco Road	Fy 95	90,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-108	Montgomery		SR 374 North Parkway West Extension Survey and Design	Fy 91	305,000
T-109	Montgomery		Renovation of terminal building at airport	Fy 91	85,000
T-110	Montgomery		Expand and pave auto parking lot at airport	Fy 91	250,000
T-111	Montgomery		Right of way purchase and maintenance	FY 91	10,000,000
T-112	Montgomery		Widen to four lanes and improve SR 48 from Dickson County line to I-24	Fy 95	26,000,000
T-113	Montgomery		Extension of taxiway 17/35 at Airport	Fy 92	1,125,000
T-114	Montgomery		Four lane SR 79 from Clarksville to the Stewart County line, 15 miles	Fy 95	1,125,000
T-115	Montgomery		Lafayette Road widening and improvement	FY 91	1,000,000
T-116	Montgomery		New bridges, replacement of old bridges, and maintenance of existing bridges	Fy 91	750,000
T-117	Montgomery		Purchase heavy equipment	Fy 91	1,175,000
T-118	Montgomery		State Aid Projects	FY 91	1,115,000
T-119	Montgomery		I-840 North	FY 95	156,750,000
T-120	Montgomery	Clarksville	North Parkway Section II East of U.S. 41-A North to East of Preachers Mill Road	FY 91	1,755,100
T-121	Montgomery	Clarksville	North Parkway interchange with 41-A North	FY 91	2,334,000
T-122	Montgomery	Clarksville	North Parkway, Section III: East of Preachers Mill Road to Trenton Road (SR-48) 4 miles	FY 91	4,500,000
T-123	Montgomery	Clarksville	US 41-A North Widen to 6 lanes with center turn lane - 6.88 miles	FY 92	17,000,000
T-124	Montgomery	Clarksville	West Extension of North Parkway 4 miles	FY 93	14,000,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-125	Montgomery	Clarksville	Improvements to Clearview Drive	FY 91	2,200,000
T-126	Montgomery	Clarksville	Replace Cumberland Drive Bridge	FY 93	1,500,000
T-127	Robertson		Widen and straighen SR 76 east of Springfield	FY 94	16,350,000
T-128	Robertson		Widen and Straighten SR 25	FY 94	32,850,000
T-129	Robertson		Widen and straighten SR 49 through Milldale	Fy 94	2,250,000
T-130	Robertson		Improve and widen to 4 lanes SR 11 (US 41) from Springfield to Greenbrier	FY 93	2,000,000
T-131	Robertson		Construct a connector route from I-24 / New Hope Road Interchange to US 431	FY 95	5,100,000
T-132	Robertson		I-840 North	FY 95	165,000,000
T-133	Robertson		Replace bridge on SR 49 at Milldale	FY 94	400,000
T-134	Robertson		Improve intersection of SR 25 and SR 49	FY 93	750,000
T-135	Robertson		Replace Bridge on SR 76 across Sulphur Fork Creek	FY 93	300,000
T-136	Robertson		Improve, widen and resurface SR 257 from Ridgetop to I-65 at county line	FY 94	6,000,000
T-137	Robertson		Airport Improvements: office and administration building, rehab hangers, new T-hangers, extend runway to 6,500 ft, parallel taxiway and develop instrument capacity	Fy 92	10,000,000
T-138	Robertson	Springfield	Airport Loop Road - widen and improve - 1.5 miles	FY 93	1,125,000
T-139	Robertson	Springfield	SR 431 loop - 2.5 miles	FY 91	1,125,000
T-140	Robertson	Springfield	Street Maintenance - ongoing program	FY 91	1,250,000
T-141	Robertson	White House	Construction of a new SR 258 by-pass from Meadows Road to SR 76	FY 93	4,000,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
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REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-142	Rutherford		Improve SR 1 from east of Baxter Road to Peaks Hill - 3.3 miles	FY 91	4,980,000
T-143	Rutherford		Major county wide resurfacing of county roads	FY 91	1,000,000
T-144	Rutherford		Four lane a section of State Route 1 from Murfreesboro to east of Baxter Rd. 5.7 miles	FY 91	8,550,000
T-145	Rutherford		Construction of 20-mile segment of I-840 S through Rutherford County	FY 91	114,500,000
T-146	Rutherford		Extend SR 109 from Wilson county line to Smyrna	FY 95	14,000,000
T-147	Rutherford		Construct new roadway, John Rice Blvd., from Cason Lane at intersection of SR 96 to connect with Gresham Lane (Manson Pike)	FY 91	75,000
T-148	Rutherford		Widen, shoulder work, and resurface SR 96, 9 miles from Murfreesboro to the Williamson county line	FY 95	3,300,000
T-149	Rutherford		Four lane 5 miles of SR 10 from Bedford County line to Christmas Creek	Fy 91	10,000,000
T-150	Rutherford		Widen to four lanes approximately 8 miles of Almaville Road from SR 96 to I-24	FY 93	16,000,000
T-151	Rutherford		Four lane SR 99 from Concord Road to 3 miles N.E. of Rockvale	Fy 92	9,000,000
T-152	Rutherford		Four lane SR 99 from Concord Road to Marshall County line and from N.E> of Rockvale to Murfreesboro	Fy 95	30,000,000
T-153	Rutherford		Improvements of approximately 20 miles of SR 99 from south west of Murfreesboro to Marshall County line - shoulder work, widen, and resurface	FY 95	7,500,000
T-154	Rutherford		Improve approach and bridge over Branch Creek on SR 269 west of Eagleville near	FY 91	200,000

GREATER NASHVILLE REGION
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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Williamson county line		
T-155	Rutherford		Add two additional lanes on US 231 from north of Murfreesboro to Wilson Co. line - 7 miles	Fy 91	15,000,000
T-156	Rutherford	LaVergne	Improve and widen Neil Quaker Blvd.	Fy 93	250,000
T-157	Rutherford	LaVergne	Construct Parthenon Parkway	Fy 93	2,500,000
T-158	Rutherford	LaVergne	Widen and resurface Stones River Road	Fy 95	4,000,000
T-159	Rutherford	LaVergne	Upgrade Industrial Blvd.	Fy 92	300,000
T-160	Rutherford	LaVergne	Develop an industrial road in the industrial park	FY 92	200,000
T-161	Rutherford	Smyrna	Renovate the Smyrna-Rutherford County Airport	FY 93	2,000,000
T-162	Rutherford	Smyrna	Construct a connector road between Front St. and the Old Nashville Highway	FY 91	1,500,000
T-163	Rutherford	Smyrna	Upgrade the Old Nashville Highway to 4 lanes and 4 lane the bridge over Stewarts Creek	Fy 93	8,500,000
T-164	Rutherford	Smyrna	Extension of SR 109 from I-40 in Wilson Co. to Smyrna	FY 95	10,000,000
T-165	Stewart		Four lane SR 49 to Houston County, 18 miles	FY 95	36,000,000
T-166	Stewart		Four lane Highway 79 from Montgomery County line to Dover, 16 miles	Fy 94	36,000,000
T-167	Stewart		North South Parkway from Houston County line to Land Between the Lakes part of the Cuba Landing - I-40 connector highway	Fy 95	55,264,000
T-168	Stewart	Cumberland City	Construct a Bridge over the Cumberland River on SR 46 in Cumberland City and construct new roadway from bridge to City Rd./Wilson Hollow Road	FY 93	8,370,000
T-169	Sumner		Improvements to SR 25 west of Gallatin	FY 94	21,450,000

GREATER NASHVILLE REGION
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REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-170	Sumner		Connect SR 109 N to US 31E with an intersection at Dobbing Pike and SR 109	FY 91	2,000,000
T-171	Sumner		Gallatin By-Pass - 6.6 miles	FY 92	25,000,000
T-172	Sumner		Four lane SR 109 from the Wilson County line to Portland including the Cumberland River Bridge	FY 92	39,100,000
T-173	Sumner		Bridge replacement program, replacement of 12 bridges on county roads	FY 91	1,000,000
T-174	Sumner		I-840 North approximately 30 miles	Fy 95	110,000,000
T-175	Sumner	Gallatin	Airport improvements with the addition of a new taxiway and new T-hangars	FY 93	1,500,000
T-176	Sumner	Gallatin	Extension of Maple Street parallel with Nashville Pike	FY 93	2,500,000
T-177	Sumner	Goodlettsville	Long Hollow Pike Widening	FY 92	8,000,000
T-178	Sumner	Hendersonville	Construction of extension to Rockland Road from Imperial Bouldvard to Executive Park Drive	FY 92	125,000
T-179	Sumner	Hendersonville	Street restoration and resurfacing (5 year program)	FY 91	1,400,000
T-180	Sumner	Hendersonville	Resurface and improve Old Shackle Island Road from Volunteer Drive to Wessington Place	FY 91	350,000
T-181	Sumner	Hendersonville	Resurface and improve Sanders Ferry Road from Main St. to Curtis Crossroads	FY 91	340,000
T-182	Sumner	Hendersonville	Construction of an extension to Stark Knob Road from Allen Drive to Anderson Lane	FY 92	70,000
T-183	Sumner	Hendersonville	Extension of Bonita Parkway from Maples Development to Anderson Lane	FY 92	250,000
T-184	Sumner	Portland	SR 52 improvements from I-65 to SR 109 at Portland	FY 91	8,000,000

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-185	Sumner	Portland	State Highway 109 By-Pass for Portland	FY 93	4,000,000
T-186	Trousdale		Replacement of US 231 bridge over Cumberland River	Fy 91	7,672,060
T-187	Trousdale		SR 141 Bridge over Goose Creek	FY 91	200,000
T-188	Williamson		Extend Moores Lane west from Franklin Road to Hillsboro Road	FY 92	5,000,000
T-189	Williamson		I-840 South	Fy 91	215,273,000
T-190	Williamson		Improve Franklin Road (SR 6) from 5 lane section in Brentwood to Franklin By-Pass	FY 93	9,200,000
T-191	Williamson	Brentwood	Widen to four lanes Moores Lane West of I-65 to Franklin Road	FY 91	2,100,000
T-192	Williamson	Brentwood	Construction of Jones Parkway from Concord Road to Old Smyrna Road as development occurs	FY 93	1,700,000
T-193	Williamson	Brentwood	Widen Concord Road (SR 253) to four lanes and improve from I-65 to county line	Fy 92	2,400,000
T-194	Williamson	Brentwood	Lane improvements on Granny White Pike from Murray Lane to city limits	Fy 91	2,029,400
T-195	Williamson	Brentwood	Four lane Murray Lane from US 31 to Granny White Pike	FY 91	1,575,000
T-196	Williamson	Brentwood	Widen Moores Lane East of I-65 to Raintree Parkway, re-align and improve	FY 91	1,600,000
T-197	Williamson	Brentwood	Upgrade and widen Wilson Pike (SR 252) within the Brentwood city limits	FY 94	2,300,000
T-198	Williamson	Brentwood	Construct Green Hill Boulevard from Raintree to Moores Lane as development occurs	FY 95	800,000
T-199	Williamson	Brentwood	Construct Green Hill Boulevard from Chenoweth Subdivision to Edmondson Pike as development occurs	FY 95	1,200,000

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REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-200	Williamson	Brentwood	Construct Jones Parkway from Old Smyrna Road to Cloverland Drive as development occurs	FY 95	1,000,000
T-201	Williamson	Fairview	Improve SR 100 to four lanes	FY 92	16,650,000
T-202	Williamson	Franklin	Improvements to the Franklin Airport	FY 92	10,000,000
T-203	Williamson	Franklin	North Carothers Road - Murfreesboro Road to Moores Lane	FY 91	2,028,000
T-204	Williamson	Franklin	Improvements to Fieldstone Parkway	FY 91	948,000
T-205	Williamson	Franklin	Liberty Pike east extension - Curd Lane to city limits	FY 91	999,000
T-206	Williamson	Franklin	Aspen Grove Parkway - Cool Springs Boulevard to Franklin Rd.	FY 91	740,000
T-207	Williamson	Franklin	Widen Eleventh Avenue North	FY 91	59,000
T-208	Williamson	Franklin	Improvements to Edward Curd Lane	FY 92	800,000
T-209	Williamson	Franklin	Improve Downs Boulevard	Fy 91	250,000
T-210	Williamson	Franklin	Cool Springs Boulevard - Hatcher Parkway to I-65	Fy 91	2,030,000
T-211	Williamson	Franklin	South Carothers Road - Murfreesboro Road South	FY 91	600,000
T-212	Williamson	Franklin	Improve Liberty Pike- Franklin Road to Curd Lane	Fy 91	5,240,000
T-213	Williamson	Franklin	Mallory Lane - Mallory Station Road to Liberty Pike Phase 1	Fy 91	1,545,000
T-214	Williamson	Franklin	Mallory Lane - Moores Lane to Mallory Station Rd.	Fy 92	713,000
T-215	Williamson	Franklin	Aspen Grove Parkway - Cool Springs Boulevard to Franklin Road	Fy 92	1,888,000
T-216	Williamson	Franklin	Improvements to Mallory Lane - Mallory Station Road to Liberty Pike, Phase 2	Fy 93	1,370,000

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REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
T-217	Williamson	Franklin	North Carothers Road - Murfreesboro Road to Moores Lane	Fy 93	696,000
T-218	Williamson	Franklin	Liberty Pike east (Cool Springs Boulevard) I-65	FY 93	2,712,000
T-219	Wilson		Construct new interstate type roadway from north west of Hendersonville to Hobson Pike in Wilson County , a new roadway with new bridge across the Cumberland River	FY 95	99,558,000
T-220	Wilson		Construct two additional lanes on Leeville Pike from SR 109 to Tennessee National Guard Property	FY 93	5,000,000
T-221	Wilson		Construct two additional lanes on Saundersville Road from Davidson County line to Idlewood Drive	FY 94	2,000,000
T-222	Wilson		Improve major access off of I-840 into Cedar Forest then into State Park	FY 92	5,000,000
T-223	Wilson		Construct two additional lanes on I-40 from Old Hickory Blvd. in Davidson county to US 70 - Watertown Interchange	FY 93	34,000,000
T-224	Wilson		Improve and upgrade to four lanes US 231 from Rutherford Co. line to the Trousdale Co. line	FY 93	36,000,000
T-225	Wilson		Connector road from US 231 at Hobbs Road,a to the intersection of Tater Peeler Road/Shorter Road (Part of the circumferential route)	FY 94	3,600,000
T-226	Wilson		Construct two additional lanes on US 70 from Davidson County line to US 70 By-Pass	FY 94	28,000,000
T-227	Wilson		I-840 North from I-40 to the Sumner County Line	FY 95	57,000,000
T-228	Wilson		Connector road from US 70 S. near the intersection of Lindsley Road to Linwood Road near the intersection of Poplar	FY 94	5,400,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Road (part of new circumferential route)		
T-229	Wilson		Connnector road from US 231 west to Maple Hill and/or Horn Springs (part of new circumferential route)	FY 94	4,500,000
T-230	Wilson		Expand the runway at the Lebanon Airport to 5,000 ft and also increase the hangar space	Fy 92	150,000
T-231	Wilson		Connector road from west of SR 109 near Northern Road to Benders Ferry Road (part of the new circumferential route)	FY 93	5,400,000
T-232	Wilson		Upgrade SR 141 from Lebanon By-Pass to Trousdale Co. line, approximately 10 miles with shoulder work, widen and resurface	FY 94	10,000,000
T-233	Wilson		I-840 South segment from I-40 in near Lebanon to Rutherford Co. Line	FY 91	61,162,000
T-234	Wilson		SR 109 extension from I-40 in Wilson Co. To Rutherford Co. line	FY 95	22,000,000
T-235	Wilson		Collector - Distributor Road south of I-40 from South Mt. Juliet Road to I-840	FY 95	10,500,000
T-236	Wilson	Lebanon	Access to Old Railroad Bed Road from north-bound and west-bound I-840	FY 93	3,000,000
T-237	Wilson	Lebanon	Construct a new westerly by-pass abound Lebanon in conjunction with the new I-40 interchange	FY 94	15,000,000
T-238	Wilson	Lebanon	Construct a new Lebanon interchange on I-40 west of US 231	FY 94	2,500,000
T-239	Wilson	Mt. Juliet	Realign and four lane Nonaville Road from US 70 to Saundersville Road	Fy 93	3,750,000
T-240	Wilson	Mt. Juliet	Mt. Juliet Road improvements from I-40 to US 70 - improve and upgrade to four lanes	FY 95	2,800,000
T-241	Wilson	Mt. Juliet	East-West road improvements between Mt.	FY 93	4,200,000

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REGIONAL CAPITAL IMPROVEMENTS PROGRAM/ OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL TRANSPORTATION PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Juliet and Nashville, including Central Pike, Old Lebanon Dirt Road, Old Railroad Bed Road, and Sperry Lane		
				TOTAL	$2,726,245,560

GREATER NASHVILLE REGION
REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
OVERALL ECONOMIC DEVELOPMENT PLAN
REGIONAL WATER AND SEWER PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
WS-1	Cheatham		Feasibility study to determine the cost of a sewage collection system for Pleasant View with treatment in Ashland City	Fy 91	25,000
WS-2	Cheatham		Develop a new sewer system in Pleasant View, lines plus treatment plant	Fy 93	3,500,000
WS-3	Cheatham		Connect water systems - Harpeth Valley Utility District and 2nd South Cheatham Utility District	Fy 92	43,000
WS-4	Cheatham		Connect Ashland City water system to Pleasant View with a 10" water line from Ashland City to Pleasant View	Fy 93	448,800
WS-5	Cheatham	Ashland City	Expand (double) the sewer plant for the industrial park	Fy 92	150,000
WS-6	Cheatham	Kingston Springs	Upgrade water lines to provide adequate pressure for residential water usage and for fire protection	FY 91	554,400
WS-7	Cheatham	Pegram	Upgrade water lines to provide adequate water pressure for residential usage and for fire protection	Fy 91	343,200
WS-8	Davidson		County rehabilitation of older sewer pumping stations (5 year program)	FY 91	16,500,000
WS-9	Davidson		Upsize existing Richland Creek trunk sewer (4 year program)	FY 91	3,000,000
WS-10	Davidson		Construct a new pumping station and force main in lower East Nashville	FY 93	1,000,000
WS-11	Davidson		Upgrade older portion of Richland Creek sanitary drainage system (2 year program)	FY 91	7,000,000
WS-12	Davidson		Evaluate River Retreat trunk sewer, pump station, and force main	FY 91	500,000
WS-13	Davidson		Correct sewer bleeders (2 year project)	FY 91	5,000,000
WS-14	Davidson		Sludge processing and removal at Central	FY 91	7,000,000

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REGIONAL CAPITAL IMPROVEMENTS PROGRAM/
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REGIONAL WATER AND SEWER PROJECTS

PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Wastewater, Dry Creek, and Whites Creek Treatment Plant (6 year program)		
WS-15	Davidson		Construct new pumping station in Upper East Nashville	FY 92	1,000,000
WS-16	Davidson		Extend Upper Mill Creek trunk sewer	FY 93	9,500,000
WS-17	Davidson		Sewer Facilities upgrade in Urban Services District	FY 91	3,000,000
WS-18	Davidson		Extend existing trunk and lateral sewers in Whites Creek Drainage Basin (3 year program)	FY 91	6,000,000
WS-19	Davidson		Continue improvements and expansion of Whites Creek Wastewater Treatment Plant	FY 91	14,000,000
WS-20	Davidson		Modifications to Airport Water Pumping Station	FY 91	800,000
WS-21	Davidson		Construct trunk sewer in Mansker's Creek, Gallatin Pike area (3 year program)	FY 91	5,000,000
WS-22	Davidson		Increase pumping capacity of Battery Lane Pump Station	FY 93	250,000
WS-23	Davidson		Construct 1,000,000 gallon reservoir on Hobson Pike near I-24	FY 92	1,180,000
WS-24	Davidson		Construct new pumping station on Bell Road south of Murfreesboro Pike	Fy 93	350,000
WS-25	Davidson		Construct 12 inch water main and 500,000 gallon reservoir in Holt Knob area	FY 93	1,020,000
WS-26	Davidson		Construct Charlotte Pike transmission main	Fy 91	1,400,000
WS-27	Davidson		Replace lead services (ongoing program)	FY 91	13,000,000
WS-28	Davidson		Repair Eighth Avenue Reservoir	FY 91	2,000,000
WS-29	Davidson		Construct Harding Place Pumping Station	FY 91	400,000
WS-30	Davidson		Construct 16 inch water main on Bell	FY 91	3,250,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Road - Old Hickory Boulevard from I-24 to I-65		
WS-31	Davidson		Construct new lateral sewers in Brierville Road area	FY 91	500,000
WS-32	Davidson		Upgrade water facilities in General Services District	FY 91	3,000,000
WS-33	Davidson		Make improvements to Omohundro Drive Water Treatment Plant	FY 91	200,000
WS-34	Davidson		Improvements to Stones River Water Treatment Plant	FY 91	10,000,000
WS-35	Davidson		Construct 24 inch water main from Trinity Lane reservoir to Bordeaux	FY 91	2,000,000
WS-36	Davidson		Upgrade water facilities in Urban Services District	FY 91	3,000,000
WS-37	Davidson		Construct Warner Park water pumping station	FY 92	200,000
WS-38	Davidson		Construct a 12 inch water main in Amalie Drive area	Fy 92	515,000
WS-39	Davidson		Construct Stormridge storage reservoir	FY 92	1,215,000
WS-40	Davidson		Inspect and repair large trunk sewers	FY 91	1,500,000
WS-41	Davidson		Upgrade sewer facilities in General Services District	Fy 91	3,000,000
WS-42	Davidson		Expand Dry Creek Wastewater Treatment Plant	FY 91	10,500,000
WS-43	Davidson		Construct new Cromwell Drive lateral sewers in the Otter Creek Drainage Area	FY 91	1,150,000
WS-44	Davidson		Construct a combined sewer overflow (ongoing project)	FY 91	130,000,000
WS-45	Davidson		Construct new lateral sewers on Cloverland Drive	FY 91	800,000
WS-46	Davidson		Evaluate and upgrade the Browns Creek	Fy 91	5,000,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Sewer System		
WS-47	Davidson		Construct pumping station, force main and interceptor sewer at Bourdeaux-Trinity Lane Pumping Station	Fy 91	2,695,000
WS-48	Davidson		Additions and modifications to the Central Wastewater Treatment Plant (4 year program)	FY 91	5,500,000
WS-49	Davidson		Construct Gibson Creek relief sewer in Gibson Creek Drainage area (4 year program)	Fy 91	400,000
WS-50	Davidson		Sewer system evaluation study of Central, Whites Creek, Dry Creek and Hurricane Creek areas (3 year project)	Fy 91	5,000,000
WS-51	Davidson		Construct new Ewing Creek lateral sewers in the North Due West Area	Fy 91	650,000
WS-52	Davidson		Construct flow monitoring system in various areas of Davidson County	Fy 91	1,000,000
WS-53	Davidson		Construct new lateral sewers on Old Hickory Boulevard near Granny White Pike	FY 91	1,000,000
WS-54	Davidson	Goodlettsville	Sewer improvements	FY 91	7,000,000
WS-55	Dickson		Develop a Countywide Water and Sewer distribution and collection system	Fy 91	17,000,000
WS-56	Dickson	Burns	Develop a sewer system and treatment plant	FY 94	3,700,000
WS-57	Dickson	Dickson	Sewer expansion to comply with NPDES permit.	FY 92	2,000,000
WS-58	Dickson	Dickson	Construct a sewer pumping station to serve Industrial Park.	FY 91	180,000
WS-59	Dickson	Dickson	Sewer collection rehabilitation project (4 year project)	FY 91	850,000
WS-60	Dickson	Dickson	Construct a new water tank.	FY 94	800,000
WS-61	Houston		Connect Dover, Cumberland City and	Fy 93	500,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			Tennessee Ridge Water Systems		
WS-62	Humphreys		Construct a 300,000 gallon water storage tank at the Buffalo River	Fy 92	300,000
WS-63	Humphreys	New Johnsonville	Extend the water and sewer lines one mile to the New Johnsonville Industrial Park	Fy 91	237,600
WS-64	Humphreys	New Johnsonville	Improvements to the sanitary sewer system in New Johnsonville, east along US 70	Fy 92	500,000
WS-65	Humphreys	Waverly	Rehabilitation of existing sewer collection system and improve the inflow and infiltration problem	Fy 92	1,200,000
WS-66	Humphreys	Waverly	Upgrade the sewer collection lines from Waverly Industrial Park	Fy 91	200,000
WS-67	Humphreys	Waverly	Rehabilitation of the Municipal well systems	Fy 91	465,000
WS-68	Montgomery	Clarksville	Sewer Line rehabilitation	FY 91	400,000
WS-69	Montgomery	Clarksville	Sewer line extensions for new development	FY 92	1,000,000
WS-70	Montgomery	Clarksville	Sewer Plant Extension	Fy 91	13,000,000
WS-71	Montgomery	Clarksville	1.5 MG water tank on Sango Road	Fy 91	350,000
WS-72	Montgomery	Clarksville	New 16" force main from St.Bethlehem to sewer plant	Fy 91	275,000
WS-73	Montgomery	Clarksville	New water tank along proposed North Parkway	FY 92	1,000,000
WS-74	Montgomery	Clarksville	Extend water main parallel with proposed North Parkway from SR 79 to 41-A	FY 91	2,500,000
WS-75	Montgomery	Clarksville	New water reservoir for Rossview/Dunbar Cave Road area	FY 91	2,000,000
WS-76	Montgomery	Clarksville	Upgrade trunk sewer system with new pump stations and interceptors in North Clarksville	FY 91	2,500,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
WS-77	Montgomery	Clarksville	Parallel and upgrade various pump stations and lines in existing sewer system	Fy 91	1,000,000
WS-78	Montgomery	Clarksville	Provide sewer for various other unsewered areas	FY 92	5,000,000
WS-79	Robertson	Adams	Develop a sewer collection system for city	FY 93	2,000,000
WS-80	Robertson	Orlinda	Construction of a sewer collection system	FY 92	1,000,000
WS-81	Robertson	Ridgetop	Construction of a sewer system in Ridgetop	FY 92	3,500,000
WS-82	Robertson	Springfield	Develop a larger reservoir for water distribution	Fy 92	350,000
WS-83	Robertson	Springfield	Rehabilitation of sewer lines - 5 year program	FY 91	1,000,000
WS-84	Robertson	Springfield	Water plant pumping expansion	FY 92	250,000
WS-85	Robertson	Springfield	Declorination equipment for treatment of discharge	FY 91	200,000
WS-86	Robertson	Springfield	Sewer line extensions into new areas 5 year program	FY 91	750,000
WS-87	Robertson	Springfield	Water line extension into new areas over 5 years	FY 91	750,000
WS-88	Robertson	Springfield	Water system rehabilitation - 5 year program	Fy 91	1,000,000
WS-89	Robertson	White House	Extension of sewer lines from pump station to new areas of the city	FY 92	5,000,000
WS-90	Robertson	White House	Construct a new 500,000 gallon per day mechanical sewer plant	FY 92	2,500,000
WS-91	Rutherford		Establish a county wide sewer system	Fy 95	10,000,000
WS-92	Rutherford	Eagleville	Extend a 6" water line approximately 3 miles towards Williamson County	Fy 95	120,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
WS-93	Rutherford	LaVergne	Replace a grinder system with gravity sewers	Fy 95	2,000,000
WS-94	Rutherford	LaVergne	Construct a new sewer treatment plant	Fy 95	3,000,000
WS-95	Rutherford	Murfreesboro	Increase capacity at sewer plant and addition of trunk lines in Murfreesboro area	FY 95	10,000,000
WS-96	Rutherford	Smyrna	I-840 and Jefferson Pike sewers	Fy 93	3,000,000
WS-97	Rutherford	Smyrna	Expand sewer plant to 7.8 MGD	FY 91	4,200,000
WS-98	Rutherford	Smyrna	Expand water treatment plant to 12 MGD	Fy 94	4,000,000
WS-99	Rutherford	Smyrna	Extend sewer down Almaville Road	Fy 91	2,300,000
WS-100	Rutherford	Smyrna	Replace Meadowbrook sewer pump station	Fy 94	200,000
WS-101	Rutherford	Smyrna	Water Main to Nolensville	FY 91	1,800,000
WS-102	Stewart		Connect the Dover, Cumberland City, and Tennessee Ridge Water Systems	FY 93	500,000
WS-103	Stewart	Dover	Water storage tank maintenance	FY 93	50,000
WS-104	Sumner		Improve sewer field lines in Twin Valley Subdividsion	FY 92	550,000
WS-105	Sumner		Extend water lines in Dobbins Pike Area	FY 92	150,000
WS-106	Sumner	Gallatin	Rehabilitation of sewer system	FY 91	1,000,000
WS-107	Sumner	Gallatin	Extend sewer lines along Red River Road	FY 91	150,000
WS-108	Sumner	Gallatin	Extend sewer trunk line along Nashville Pike in conjunction with Foxland Mall as far as Cages Bend Road	FY 93	332,640
WS-109	Sumner	Gallatin	Replace existing water lines with larger mains for fire protection	FY 91	2,000,000
WS-110	Sumner	Gallatin	Extend sewer lines on Airport Road - SR 25 to Cairo Road	FY 93	500,000
WS-111	Sumner	Portland	Improvements to/expansion of water	FY 91	500,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			treatment plant, including additional settling basins, pumps,etc		
WS-112	Sumner	Portland	Construction of a 500,000 gallon water storage tank	FY 91	400,000
WS-113	Sumner	Portland	Extension of sewer lines to provide service in areas presently using septic tanks	FY 91	2,500,000
WS-114	Sumner	Portland	Extension of water lines to areas now using wells	FY 91	250,000
WS-115	Sumner	Portland	New raw water supply - lake	Fy 92	2,000,000
WS-116	Sumner	Westmoreland	Reactivate and upgrade the water treatment plant	FY 92	500,000
WS-117	Trousdale	Hartsville	Extend water lines to Carr Branch Rd., Seltzer Rd., Griff Hollow Rd., McCannahan Hollow Rd., and Middle Fork Road	FY 94	234,000
WS-118	Trousdale	Hartsville	Connect water systems: Hartsville U.D., Castalian Sqrings U.D., and Lebanon Water District (to provide backup)	Fy 92	1,000,000
WS-119	Williamson	Brentwood	Add a 1 MGD water pumping station connection to Metro	Fy 93	400,000
WS-120	Williamson	Brentwood	Increase Brentwood - Metro sewage pumping station capacity	Fy 92	500,000
WS-121	Williamson	Brentwood	Upgrade the water distribution system	FY 92	1,000,000
WS-122	Williamson	Brentwood	Construct the Mill Creek Sewer Interceptor to serve east Brentwood and adjacent 4,000 acres	Fy 93	9,000,000
WS-123	Williamson	Brentwood	Extend sewer collection system to 1,900 existing homes	FY 91	14,000,000
WS-124	Williamson	Brentwood	Construction of 2,000,000 gallon water storage tank	FY 93	300,000
WS-125	Williamson	Brentwood	Rehabilitation of sanitary sewer system	FY 91	1,000,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
WS-126	Williamson	Brentwood	Additional sanitary sewer capacity from Metro	FY 92	6,000,000
WS-127	Williamson	Fairview	Expand water main	FY 93	500,000
WS-128	Williamson	Fairview	Add water storage tank	Fy 95	420,000
WS-129	Williamson	Franklin	Upgrade existing sewer system	FY 91	2,200,000
WS-130	Williamson	Franklin	Expand Sewer plant by 3MGD	FY 92	3,000,000
WS-131	Williamson	Franklin	Modify water treatment plant	FY 93	500,000
WS-132	Wilson		Wilson County Water And Wastewater Authority water system expansion and improvements to areas including Tater Peeler Road, Statesville, and Saulsbury	FY 92	800,000
WS-133	Wilson		Replace old water lines in the West Wilson Utility District with new, larger water lines	FY 92	1,000,000
WS-134	Wilson		County rehabilitation of water lines and upgrading of distribution system	Fy 92	8,000,000
WS-135	Wilson		Connect the Trousdale, Wilson, and Gallatin water systems	FY 93	1,200,000
WS-136	Wilson	Lebanon	Construction of 2 new interceptor sewer lines in area NW of city at US 70 and industrial park	FY 92	850,000
WS-137	Wilson	Lebanon	Double the sewer treatment plant capacity to 12 MGD	FY 92	12,000,000
WS-138	Wilson	Lebanon	Sewer system rehabilitation - TV inspection, joint sealing, sliplining, and point repair	Fy 91	150,000
WS-139	Wilson	Lebanon	Extend water and sewer to I-840 South corridor area - for future development	FY 94	2,700,000
WS-140	Wilson	Mt. Juliet	Construct new sewer plant to serve area east of present 201 area	Fy 92	2,000,000
WS-141	Wilson	Watertown	Improve the water system icluding the	FY 92	75,000

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PROJECT NO.	COUNTY	CITY	PROJECT DESCRIPTION	PROJECT START	PROJECT COST
			location of additional water supply		
WS-142	Wilson	Watertown	Rehabilitation of sewer system - TV inspection, joint sealing, point repair, and general rehabilitation of sanitary sewer system	Fy 91	100,000
				TOTAL	$$$507,008,640

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
NASHVILLE, TENNESSEE
DECEMBER 7, 1990

BY BRADFORD MILLER
EXECUTIVE VICE PRESIDENT
TENNESSEE ROAD BUILDERS ASSOCIATION

ıod afternoon, Mr. Chairman, Representative Clement and members of the committee. I am Brad Miller, executive vice president of the Tennessee Road Builders Asssociation which is located here in Nashville. I am pleased to present testimony today before the House Committee on Public Works and Transportation on the status of this country's infrastructure and particularly its transportation system.

I am here on behalf of the members of the Tennessee Road Builders Association and its national affilitate, the American Road and Transportation Builders Association, to lay before the committee the problems with our transportation infrastructure and what it will mean if, as a nation, we fail to correct the deterioration in our highway, bridges and streets.

We know a problem exists. The Federal Highway Administration in its 1989 Conditions and Performance Report to Congress stated that a Federal-aid Highway program of $40 billion per year was necessary to correct the deterioration of our highways. In its survey of priority issues, the National Conference of State Legislatures ranks road and highway construction and improvement as the third issue behind tourism and agricultural environment - neither of which can prosper and grow without a sound transportation sysytem.

At the outset, I will say that we believe that the financial decisions that the U.S. Congress makes next year in the transportation area will have a direct impact on the nation's economy and well-being long into the future. But first we must ensure that the federal highway user fees are not raised for non-transportation purposes, including to help balance the federal budget. The Highway Trust Fund along with the federal gasoline and diesel excise tax was established to SOLELY fund the construction and repair of our highway and bridge system. Diverting these funds would severely impact the ability of federal and state governments to meet identified infrastructure needs.

America is built on mobility. Its vast size places a high value on the ability to move people and goods over both short and long distances in an economical and efficient manner. The American highway system, developed jointly by the federal and state governments, has had more to do with our quality of life and economic prosperity than any other single factor.

The efficiency of our highway system also has a direct affect on productivity. It is documented fact that countries that sustain a high level of public investment relative to output experience highway productivity growth.

During the past two decades, Japan has invested about 5 percent of its output in public works and achieved an annual productivity growth of over 3 percent. The West German experience is similar.

The United States, meanwhile, has maintained a low public investment ratio of three-tenths of a percent and seen inferior productivity growth just six-tenths of a percent per year. The fact is, the United States ranks 55th in the world in public capital investment. To me, that is a national embarrassment. It is also a sure prescription for economic decline.

Everywhere you look, nations that want to be a major players in the global marketplace have been investing heavily in surface transportation improvements: Germany, Japan, Hong Kong, Korea, China, Spain, etc.

Today, America's federal highway system—the backbone of our national economy—is in serious trouble.

While this network of highways and bridges comprises only 22 percent of the nation's total road mileage, it carries 81 percent of all travel—more than 1.6 trillion miles per year.

According to the U.S. Department of Transportation's 1989 report to Congress, more than 28 percent of the bridges on the federal-aid system are either "structurally deficient" or "functionally obsolete." The same report states that more than 40 percent of the pavements on the federal-aid system are in "poor" or "fair" condition (See figures 1, 2 and 3).

This 1989 report and the Federal Highway Administration's 1988 publication, America's Challenge For Highway Transportation In The 21st Century, both state that meeting existing capital needs on the federal-aid system alone requires a $40 billion per year investment in transportation construction projects—a rate of spending substantially in excess of the current obligations for the Federal-aid Highway Program.

Meeting these quantified needs on the federal-aid system is one of the major financial challenges facing the nation. Failure to provide an adequate and useable highway system will have a profound effect on the quality of American life, our economic growth and development, and our ability to meet national defense requirements.

The Federal-aid Highway Program has been a driving force behind building a better America. The reauthorization of this federal program should foster continued opportunities for growth and development.

If the program's reathorization legislation does not address known needs in a meaningful way, the deterioration of the Federal-aid Highway System, which is becoming more apparent every day, will continue, placing the American economy in danger. Today, highway disrepair and congestion are contributing to increased economic costs, air pollution and wasted energy resources.

Americans continue to commute by private automobile. Such travel is up 17 percent since 1960 and contributes to significant rush hour congestion on 65 percent of Urban Interstate System mileage. The outlook for the future is not good. Traffic is projected to grow by two to four percent per year in the decade ahead.

According to federal statistics, the nation now wastes 1.25 billion hours and 1.38 billion gallons of motor fuels due to congestion on limited access highways each year. By the year 2005, that waste could soar to 6.9 billion hours in lost productivity and 7.32 billion gallons of squandered fuel.

Economists at the U.S. Department of Transportation estimate that if our highways are allowed to continue to deteriorate, by 1995 the U.S. economy could potentially miss out on increases of 3.2 percent in Gross National Product (GNP), 5.9 percent in disposable income, 2.2 percent in employment and 2.7 percent in manufacturing productivity.

Disinvestment caused much of our current problem (See figure 4). Total public capital expenditures for highways and bridges has dropped from 1.4 percent of GNP in the early 1960s to about 0.5 percent today. During this same period, traffic on the Federal-aid Highway System has increased five fold.

Inflation has also been a hidden factor. Between 1959 and 1988, the U.S. inflation rate, as measured by the Consumer Price Index, rose slightly over 300 percent. The highway user fees supporting the Highway Trust Fund and paying for highway improvements increased by only 100 percent (See figure 5).

Assuming a moderate future inflation rate of four percent per year, the federal gasoline user fee would have to increase to 26 cents-per-gallon by the year 2000 just to maintain its 1959 purchasing power.

What should be done? The solution to our highway problem is obviously: we must begin investing in the future. Providing adequate resources is the key.

One alternative is to spend the current cash balance in the Highway Account of the Highway Trust Fund to address the call for greater highway improvement expenditures. But how far will that $10 billion balance go?

An examination of the language of the Highway Revenue Act authorizing the Highway Trust Fund shows that deficit spending in this fund is prohibited. Since the entire balance cannot be spent, the portion that is available, between $5 and $8 billion, will not significantly increase the current program.

Apogee Research, a leading public works consulting firm based in Washington, has developed a computer model for ARTBA which allows a review of possible program funding scenarios and their effect on the trust fund balance and program spend out.

The American Road and Transportation Builders Association believes a federal reauthorization package providing $40 billion per year for highway and bridge improvements is what is needed. Such a program level is totally consistent with the needs identified by the U.S. Department of Transportation referred to earlier in our testimony.

To authorize and carry-out a program of this magnitude, would require:

- Ensuring that all federal highway user fee revenue contributed to the Highway Trust Fund—plus interest earned on that money—is spent in a timely manner. A in the trust fund's current $10 billion-plus cash balance is part of this plan.

- Removing the Federal-aid Highway Program from the Unified Federal Budget in order to ensure that revenues are not impounded or withheld in the future.

- Increasing the federal highway user fees raise the additional $25 billion per year that is necessary for a $40 billion per year federal program of highway improvement assistance.

- No longer imposing artificial obligation ceilings on the expenditure of federal highway funds.

- Repealing the current six cents-per-gallon federal tax exemption on gasohol sales for highway vehicle usage (which causes an estimated $500 million per year loss to the Highway Trust Fund); and

- Tightening federal highway motor fuels collection procedures.

Such actions would assure that future generations have a highway system on which they can build. The historic role of the federal government in the development and upkeep of a national highway network should be maintained.

Recently, David Alan Aschauer, a senior economist with the Federal Reserve Bank of Chicago, and Richard Mudge, the former head of the Congressional Budget Office's Public Investment Unit, quantified the long-term national economic impacts of ARTBA's proposed program. Their findings are dramatic:

- By the year 2012, national productivity would be 7.7 percent higher, resulting in an additional $400 billion per year in Gross National Product; and

- The expected productivity gain would generate an additional $29 billion per year in corporate profits and a $35 billion annual increase in private investment. That is an excellent return on your investment.

There is no question that the federal government has a clear role to play in the development and upkeep of a national system of highways and bridges. The federal responsibility is defined by the Constitutional mandates to regulate commerce among the states and with other nations, provide for the national defense, and safeguard the public health.

America is literally at a crossroads. We can continue to ignore our serious and growing highway and bridge problem. Or we can choose to invest - about $40 billion annually - that is necessary to rebuild and expand our national highway network to meet current and future demand.

Good roads save lives, improve productivity and enhance competitiveness. In short it is an investment in the future.

I would also like to mention that we support the recommendations of the Transportation Research Board Special Report 225 especially the one that recommends adoption of the TTI HS-20/Formula B Bridge Formula. The TTI HS-20 Formula up to 80000 lbs. gross vehicle load considers HS-20 vehicles only and does not have the H-15 restriction as in the present formula. This is proper since hardly any H-15 bridges exist on the interstate any more. From 80000 up the present Formula B would be retained. This scenario is expected to produce shipper savings of $5.48 billion annually and have minimal cost impacts. There would be a net reduction in pavement costs of 10 million and an increase of 900 million in bridge costs per year. This presumes that all bridges with a load capacity of less than this formula will be replaced. In actuality most will be posted or strengthened which would reduce the annual cost significantly. This formula would provide considerble relief to short wheel base natural resource haulers.

Thank you for the opportunity to present the views of the Tennessee Road Builders Association before the committee. I stand ready to answer any questions that you may have.

TESTIMONY BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

NASHVILLE, TENNESSEE
DECEMBER 7, 1990

BY BOB SAUNDERS
PRESIDENT
NASHVILLE BICYCLE CLUB

Bicyclists have a stake in the development of a sustainable transportation system. Current dependence on oil and on single-occupant car travel has led to appalling levels of congestion, air pollution and a reliance on foreign oil that cannot be sustained. Nor can these problems be solved by building more highways. If reliance is placed solely on the traditional highway system to accommodate the anticipated peak hour traffic by the year 2010, the Nashville Major Street Plan is calling for 10 lanes on I-24 East, 6 lanes on Murfreesboro Road, and 8 Lanes on Bell Road*. The social, environmental, and economic costs associated with projects of this magnitude are staggering, and this is just one small section of Nashville. There are plans calling for similar expansion projects in all major metropolitan areas.

The encouragement of bicycling, pedestrian, and other alternative forms of transportation will help to provide some of the answers to our transportation problems. Statistics show that more than half the population lives within 5 miles of their work, or schools, and with the increase in the number of neighborhood and regional malls, most people live within a few miles of major shopping also. Many more people would ride bicycles or walk to these areas if it were safe to do so. I could not find a single crosswalk marking or secure bicycle parking place in all of the Hickory Hollow Mall area, yet the automobile parking overflows onto the area streets everyday during the Christmas season. Nashville Metropolitan Schools do not provide bus service to students that live within 1.5 miles (1.25 miles, K-5) of the school they're attending. In our neighborhood, some of the students must travel or cross Una-Antioch Pike to get to Apollo Middle School, or J.E. Moss Elementary - yet there are no sidewalks, crosswalks, crossing guards, or safe bicycling areas along this road. Situations like this encourage the use of the automobile and nothing else.

In the current Highway Act, there are few specific mentions about bicycling. More importantly, the language that does exist, only permits states to spend a portion of their federal money on bicycle projects. To do so, they must decide NOT to spend that money on other highway projects. In other words, the money is not "ear-marked" for bicycle use. Only 18 states have ever spent any of their federal money on bicycle projects. There is a lack of any real requirement or incentive to include provisions for bicycling--shoulders, lanes, separate paths or whatever they may be--in the design and implementation of projects funded by the federal government. The current law and practice still favors highway construction strictly for cars rather than the encouragement of alternatives to the automobile.

In the upcoming legislation, I encourage you to include the following:

1. A statement of policy calling for greater recognition of bicycling as a legitimate and practical means of transportation capable of helping to solve many of the environmental, social and economic problems faced by the transportation system in urban and suburban areas.

2. Stronger language to the effect that any transportation project constructed or reconstructed with federal dollars should be accessible to, and usable by, bicyclists, except possibly those highways where access is to be fully controlled. This should be in addition to the current language, and would include both highway and transit expenditures.

3. A requirement that states spend a minimum of 3% of their federal-aid highway dollars on independant construction and non-construction bicycle and pedestrian projects.

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* Information taken from the DETAILED SUBAREA PLAN for subarea 13, prepared by The Citizens Advisory Committee in conjunction with the Nashville Planning Commission.

Credits: Some of the information in this presentation is from A BICYCLISTS GUIDE TO THE 1991 SURFACE TRANSPORTATION ASSISTANCE ACT, by The Bicycle Federation of America, and is reprinted with permission of the author.

Presented by:
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Statement By
L. E. (Les) Sutton, President Ingram Barge Company
before the
Committee on Public Works and Transportation
Nashville, Tennessee
December 7, 1990

My name is L. E. (Les) Sutton, I am President of Ingram Barge Company of Nashville, Tennessee. Ingram Barge Company, a subsidiary of Ingram Industries Inc., is a large diversified barge company operating 1400 barges and 60 towboats throughout the inland water system.

I appreciate the opportunity to testify before this committee during its in-depth study of infrastructure needs. I could tick off a long list of instances of neglect of infrastructure, supporting the inland waterway industry, and I will discuss some specifics later, however I first want to emphasize the far reaching consequences of this neglect.

It should not be surprising that our industry's infrastructure needs, our successes and failures track pretty well with the rest of our country. Since our industry is fairly small, some of the relationships between infrastructure and the well being of our industry, the well being of the people and related industries may be a little more obvious than in some other areas.

While I believe this committee understands the concept very well, the thrust of my statement and the philosophy behind it is that an industry or an areas' competitiveness and well being is inextricably tied to its infrastructure. If an area keeps its infrastructure modern and well maintained it will prosper. If it doesn't, almost regardless of what else it has or does, it will suffer.

I also believe that providing the major infrastructure or at least providing major infrastructure policy and direction is a function of the federal government. If that is true, infrastructure problems and policy also are inextricably tied to politics and political will.

As a brief aside, but as a crystal clear and frightening example, Russia produced a record wheat crop this year, but as a consequence of neglected infrastructure and related systems there are severe shortages of bread. This is the simplest of examples. It doesn't require much technology or infrastructure to turn wheat into bread, but if neglect and mismanagement are carried to extreme, even that can't be done. So if a breakdown of infrastructure and political will can so impair an economy that it cannot even bake bread, how careful we must be with ours when we are trying to compete in automobiles and machine tools and electronics.

My first example of how infrastructure can help an industry be competitive involves grain in the U.S. A series of locks and dams were constructed on the upper Mississippi River between St. Louis, Missouri and Minneapolis, Minnesota, and on the Illinois Waterway from St. Louis to Chicago, Illinois. These projects were completed shortly before World War II which allowed production of substantial war materials including many naval vessels, far inland out of the reach of German submarines which threatened our coastlines.

After the war, a highly efficient transportation and marketing system for exporting grain developed along these rivers which collected the grain from the farmers, transported it down the rivers to New Orleans, then exported it around the world. This system was so efficient that it allowed the U.S. to capture over 33% of all the corn and 75% of all the soybeans purchased in the world market.

During the mid seventies, however, a series of political blunders, using grain embargoes for political purposes coupled with a ridiculous environmental fight over replacement of Lock & Dam 26 at St. Louis raised doubts about the United States' viability as a reliable source of supply for grain. In response foreign investors, principally Japanese built infrastructure in grain producing countries in South America. Europe increased its subsidies to farmers. Now the U. S. supplies 34% of the corn and 41% of the soybeans in the world market.

We gained this market with superior infrastructure. We abdicated much of it with political stupidity and the threat of infrastructure obsolescence.

The problem with losing markets due to inadequate infrastructure is that the decisions often come when the industry seems to be doing very well. Think of steel, automobiles, machine tools, television sets, radios, toasters---you can complete the list; or can you? Actually the list isn't complete yet other items are still being added.

Let me now turn to my industry, the inland waterways, and relate it to the infrastructure in middle Tennessee. Actually middle Tennessee isn't as dependent on the waterways these days as are many of our neighbors. Sure we have the Cumberland River and I'll get back to that, but for now visualize a map of the major rivers in the U.S. The Mississippi runs from Minneapolis to New Orleans. The Ohio starts at Pittsburgh, runs through Cincinnati and Louisville, and joins the Mississippi at Cairo. The Tennessee starts in the mountains east of Knoxville and drops south through Chattanooga, Guntersville and Decatur before joining the Ohio at Paducah.

So modern Nashville developed a different kind of industrial base than did some of its neighbors who had better access to low cost water transportation. Even so do not discount the influence that the Cumberland River had and still has on Nashville's ability to compete and the ability to produce goods and jobs.

I expect that my next point will be better explained by others but also visualize with me a map of the U. S. with the interstate highway system. As you visualize Nashville on that map with I-40 running east and west, I-65 running north and south and I-24 cutting through diagonally from St. Louis to Atlanta, can you see any other city of Nashville's size with a pattern of interstate highways as favorable as Nashville's?

As any serious geography student can tell you, and as our Chamber of Commerce often does, this system of highways has determined the kind of industry that has developed in middle

Tennessee. It has clearly been a factor in our success in attracting many of the businesses we now have. It is obvious that if we are to continue to compete in this world market for automobiles, electronics and other very very competitive products that we make, we must not only maintain but must continue to upgrade this transportation asset that we possess.

I have long been a proponent of maintaining our competitiveness by keeping our infrastructure up to date. The two subjects here --interstate highways and political will remind me of a statement I made in 1982 which was published in Seaway Review. I said "President Eisenhower was the last of our national leaders who understood the value of infrastructure." That of course was simply my own opinion but as I look back over 40 years of history, that statement still seems relatively true.

Before I return to the Cumberland River, let me remind you of the basic economic premise on which this paper is based. To be successful, a business, an industry or an area cannot be at a disadvantage to its competition in any area of its production cycle. Infrastructure is so key to production costs increased costs due to infrastructure deficiencies are paid for again and again and again.

Using automobile production as an example and assuming that we allow our highway systems to deteriorate would obviously increase the cost of delivering our automobiles to our market. It would also obviously increase our cost of the parts we shipped in. There are many other cost increases that are not so obvious and I believe that these less obvious costs were a major factor in the decline of much of the U.S.'s productive capacity during the 60's and 70's. We believed that we could pass on these cost increases while our more preceptive foreign competitors were constantly looking for ways to improve their quality and lower their costs.

Some of the less obvious cost increases for an automobile manufacturing plant would be the cost of food for its workers, the lettuce, tomatoes, and citrus that comes up I-24. The beef that comes across I-40. The lumber to build their houses, plumbing supplies, construction materials for shopping centers, etc.

All of the inputs in to any economy finally affect the cost of producing almost any output. This is why we pay again and again for inefficient infrastructure affecting the cost of manufacturing. This seems like simple economics which should certainly be understood by any of our leaders in policy making roles. One doesn't have to look very far back to realize that it apparently isn't.

As I joined my fellow Americans each evening this summer watching the daily comedy of which taxes to increase, my moods went from amusement to disgust to despair as I watched politicians who I believe understood basic economics float proposals to increase taxes on our costs of production. I finally decided that economics and the well being of our country and its competitiveness had nothing to do with the tax bill but at least 99.998% of the proposals were based on how many votes that particular proposal would gain or lose for the proponent.

Clearly you gentlemen must face the hard choices of the realities of our economy. Clearly it is the easy, politically expedient route to neglect our infrastructure because the results probably won't show up for 2 or 3 more terms, but when they do, then it is too late. How hard would it be for us to regain the market for TV sets. How about VCR's. Once you lose a market to an efficient competitor you don't get it back. So my exhortation to you is not to allow our infrastructures to continue to deteriorate, but to make those hard choices, sacrifice in an area that doesn't affect our production capacity and pay the price of rebuilding and maintaining our infrastructure.

I also noticed during the budget debate that a lot of federal budget expenditures were referred to as entitlements, which were assumed to be non controllable. Make no mistake about it, when you neglect our infrastructure and/or otherwise increase our costs of production you are clearly increasing the future costs of these entitlements as our markets are abdicated to foreign producers. Just as entitlements can't be reduced, neither can they be kept from increasing as jobs are lost.

Now let me return to the rivers and finally to the Cumberland River. Yes, our industry has the same problems that most industries have. We too went through that 20 year period of neglect. The average lock and dam on the inland waterway system is 50 years old. Many of them should be replaced over the next few years, but like other industries which suffered this infrastructure neglect, we cannot correct it immediately. In addition to having more needs, the neglect caused us to lose markets so we have less money to replace that capital.

I outlined to a group of waterway leaders meeting in New Orleans, in September some of the hard choices we in the waterways industry must make. They are similar to the hard choices you must make. We both must first decide that our infrastructure must be rebuilt then we must decide which parts of that infrastructure must be done first. You like we must make those hard choices. You must make an occasional choice that might not gain the most votes but is the right thing to do.

Our industry is fortunate to have the Inland Waterway Users Board to help Congress and the Corps prioritize waterway infrastructure expenditures. That board met earlier this week in Paducah, Kentucky to examine the needs of the lower Ohio, Tennessee and Cumberland Rivers. Ingram Barge Company's Chairman, Mr. Neil N. Diehl serves on that board, so I believe that our industry is in better shape than some others when it comes to addressing our needs. There is one problem of course. There is not enough money to do what needs to be done.

Now I'll close by returning to the choices that we have for the Cumberland River and middle Tennessee. Fortunately our choices aren't too tough. We have a few bridges that are hazards and restriction to navigation. We have two major projects downstream from us that affect our costs. Both are being addressed, but we need your continued support. The most important is the construction of Olmstead Lock & Dam on the lower Ohio and the second is the construction of an additional lock at Kentucky Lock & Dam on the lower Tennessee.

How do these projects and the Cumberland River affect the cost of production in middle Tennessee? All the cement, all the asphalt, most of the aggregate used in the construction industry arrives in Nashville by barge. So if costs increase on the Cumberland River, the cost of highways, factories and houses increase. Remember how many times you would pay for these costs in the price of an automobile or any consumer good produced in middle Tennessee.

I know that there are many many other competing needs for federal funds. I also know that many of these needs are generated because our economy isn't producing enough jobs. The quality of our infrastructure affects our ability to compete and provide these jobs. It affects it today and it affects it 20 years in the future. You understand that. What you need to do now is to build a story that will convince your other colleagues in Washington to make the hard choices necessary to upgrade our infrastructure which upgrades our competitiveness which will ultimately reduce many of the Federal Government's "social costs".

Thank you again for allowing me to share my thoughts with you.

ADDITIONS TO THE RECORD

STATEMENT OF JIM BRANAGAN, JEFFERSON COUNTY ENGINEER

JEFFERSON COUNTY HIGHWAY SYSTEM

The Jefferson County Highway Department is responsible for maintaining 263 miles of county roads and 264 highway bridges. In addition the county offers assistance to the townships with their 448 miles of highways.

In the summer of 1989 an inventory and needs analysis of the county highway system was conducted by the County Engineer. Data such as road width, guardrail lengths, sign locations, culvert sizes, etc., were noted. In addition to existing conditions, deficiencies and needs were investigated and evaluated. The overall purpose of the study was to determine the physical characteristic and conditions of the existing road and bridge system and determine what improvements are needed to bring the highway system up to an adequate level of condition and safety.

A summary of the results of the study follows:

Pavement - Approximately 48 percent of the pavement surface (125.6 miles) was found to be in poor condition (severely cracked with potholes) and in need of resurfacing or total reconstruction. The rating evaluation of the pavement was based on eight (8) types of distress and three (3) degrees of distress.

Signs - The oldest device for controlling, safeguarding and expediting traffic is the traffic sign. Approximately 920 new signs (3½ signs per mile) are needed such as for sharp curves or hidden drives.

Guardrail - The Ohio Department of Transportation recommends using guardrail on slopes steeper than 3:1 or at fixed objects such as trees. According to that criteria, the county highway system needs approximately 41 miles of guardrail.

Slips (Earth Slides) - Jefferson County's hilly terrain and soil types make our roads especially susceptible to earth slides. Slips can cause minor damage such as pavement cracks to a complete loss of road lanes. Numerous slips are encountered along Jefferson County Roads. Fixing

Continued ...

Slips (Earth Slides) (continued) - a slip usually involves piling, walls or earth moving techniques which are all relatively expensive. The cost to fix a slip along 1/2 mile of County Highway 7F is estimated at 1.3 million dollars!!

Bridges - 78% of the County Bridges are in fair condition and 10% are in poor condition. However, that 10% represents 32 bridges which require repair or replacement and pose a potential hazard to the public.

Building & Grounds - The County Highway Department needs storage facilities for equipment and salt. Underground fuel storage facilities have to be upgraded to meet new guidelines from the State Fire Marshalls Office.

Equipment - The Highway Department uses over 100 pieces of equipment such as snow removal trucks, graders, backhoes, loaders, mowers, pickups, etc. As finances become scarce, new purchases have dropped and more dependance is placed on older equipment. Approximately 35% of the highway department equipment was found to be in poor condition and in need of replacement.

HIGHWAY BUDGET NEEDS - (1991)

	Needs
Roads (Reconstruction & Resurfacing - 40 miles)	$ 700,000.00
Bridges (Repair/replace 5 per year)	$ 300,000.00
Guardrail (2 miles per year)	$ 200,000.00
Signs (200 per year)	$ 20,000.00
Slips (Fix 2 or 3 per year)	$ 200,000.00
Building & Grounds (Storage Facilities)	$ 250,000.00
Equipment (Replace equipment based on 7 to 25 year service life)	$ 240,000.00
TOTAL	$1,910,000.00
1991 BUDGET ALLOCATION	$ 770,000.00
ANNUAL SHORTFALL	$1,140.000.00

Continued ...

Since our 1991 budget allocation is projected to be only 40 percent of the needs, a reduced paving program and limited bridge program is contemplated for next year. No guardrail and only a few signs will be installed in 1991. Also, no monies are available to correct slips, install storage facilities or purchase much needed equipment. As deficiencies are left unattended, the cost to repair escalates unproportionately compounding the problem.

In summary, the County Highway System with its many miles of roads, numerous bridges and related ancillary devices is in a fragile and precarious position. The lack of funding to meet the annual requirements is too large not to have an adverse major affect. Without additional financial support the County Highway System as we know it today will cease to exist and will be subject to an involuntary downgrading to meet bare minimum requirements.

Jefferson County
Highway Department

1989 INVENTORY
and
NEEDS ANALYSIS

Prepared By:
James F. Branagan, P.E., P.S.
Jefferson County Engineer

AVERAGE COUNTY ROAD:

- 18 1/2 Wide & 3.5 Miles Long

LONGEST COUNTY ROAD

- CR 56 - 12.83 Miles

HEAVIEST TRAVELED ROAD:

- CR 77 *(Permars Run Road)*
- 9740 Average Daily Traffic

PURPOSE:

To plan a county road improvement program, the County Engineer and County Board should know the physical characteristics and condition of the existing road and bridge system. The inventory is the first step which involves data collection. The second step is to evaluate the data and determine what improvements are needed to bring the highway system up to an adequate level of condition and safety.

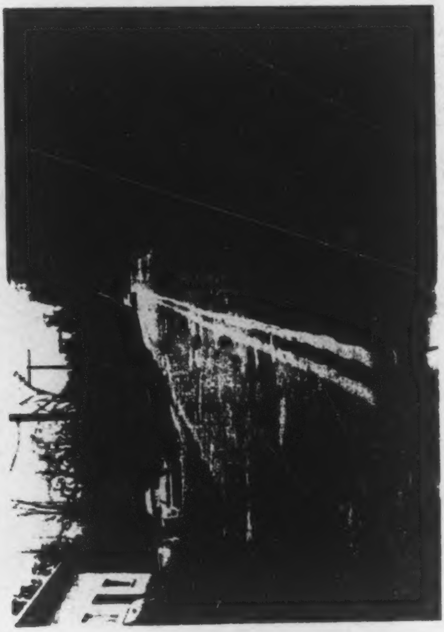
The final goal of the inventory and needs study is to provide a firm basis for selection and scheduling of improvement projects, for sound financial planning and for achieving informed public support for the county's highway improvement efforts.

PAVEMENT

Surface Condition

Good	Fair	Poor
68.4 Miles 26%	67.1 Miles 26%	125.6 Miles 48%

GOOD	**Pavement has only a few potholes and nominal cracking. Minimal maintenance and attention is required.**
FAIR	**Potholes and cracking are more prevalent. Patching and sealing are required to preserve pavement.**
POOR	**The pavement is severely cracked and riddled with potholes. Resurfacing and/or base reconstruction are required at the present time.**



SIGNS

Need 920 New Signs

- Estimated Cost - $100,000.00

GUARD RAIL

Need 41 Miles of New Guard Rail for Safety Purposes

- Estimated Cost - $865,000.00

SLIPS

Major Slips: Terrain Related

- CR1
- CR4
- CR6
- CR7F
- CR14
- CR25
- CR26
- CR28
- CR34
- CR56
- CR68
- CR74

- Estimated Cost - ??????

Each slip has to be investigated and evaluated separately. Cost will run into the millions.

DRAINAGE

EVERY County Road has drainage problems.

Ditching and Culvert Installation Require Continual Effort.

- Estimated Cost - $10,000.00 Average

BRIDGES

264 Bridges on County and Township Roads

TYPE		
Steel Trusses	28	11%
Steel Beam/Girder	77	29%
Concrete Beam/Slab	119	45%
Stone/Timber	8	3%
Culverts	32	12%

LENGTH		
200' or over		5
150' to 200'		4
100' to 150'		25
75' to 100'		7
50' to 75'		27
40' to 50'		23
30' to 40'	*(average 30')*	30
20' to 30'		57
10' to 20'		81

BRIDGE CONDITION

Good Condition 10%	No Repairs Needed or Potential for only minor repairs.
Fair Condition 78%	Potential Exists for major maintenance.
Poor Condition 12% *(32 bridges)*	Repair, rehabilitation or replacement required.

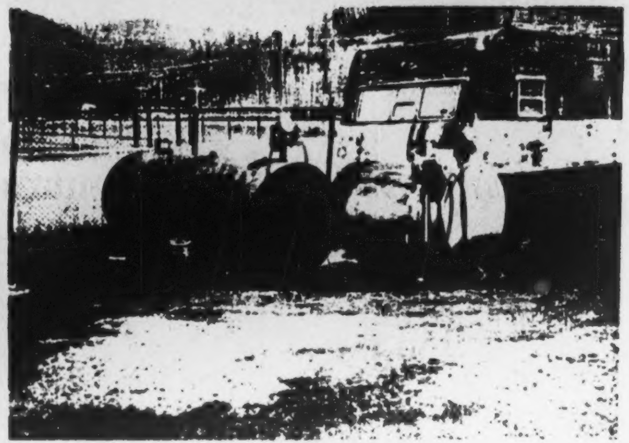
264 Bridges divided by 50 Year Service Life = 5.28 Bridge Replacements per Year.

- **Estimated Cost - $250,000.00/year**

BUILDING & GROUNDS

County Garages:
- Jefferson County Services Complex - 1983
- Smithfield Garage - Major Renovation Required, Roof and Floor. Yard - Unsatisfactory.
- Irondale Garage - Older Facilities.
- Wolf Run Garage - Older Facilities.

Future Plans	Relocate Smithfield Garage. Combine and relocate Wolf Run and Irondale Garages.
Additional Needs	Storage Facilities for Winter Salt - all Garages. Storage Facilities for Equipment. Underground fuel storage facilities.



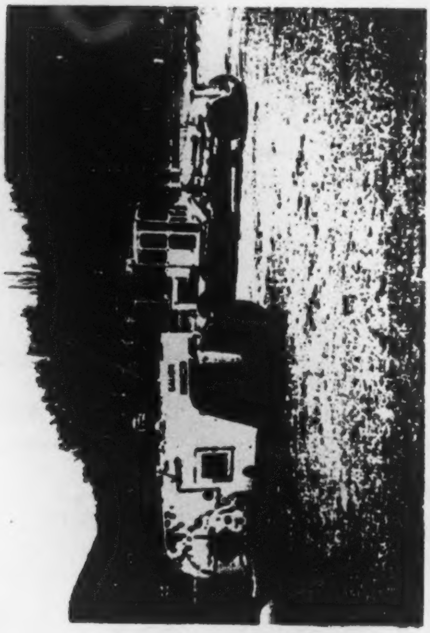
EQUIPMENT

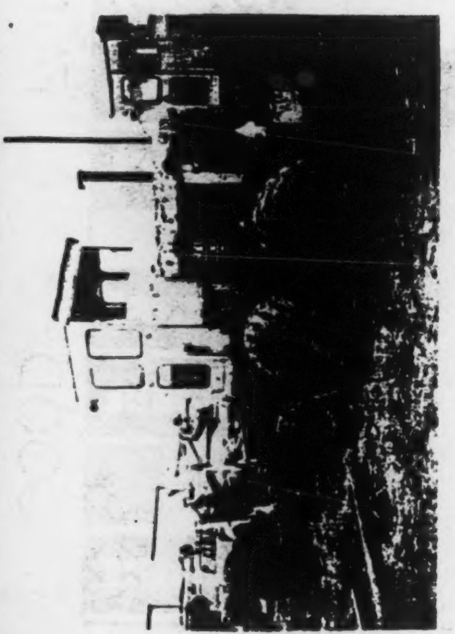
The Highway Department uses over 100 pieces of equipment having a value *(new)* of over $3.1 million dollars. The equipment includes such machinery as graders, rollers, backhoes, loaders, trucks, pickups, etc.

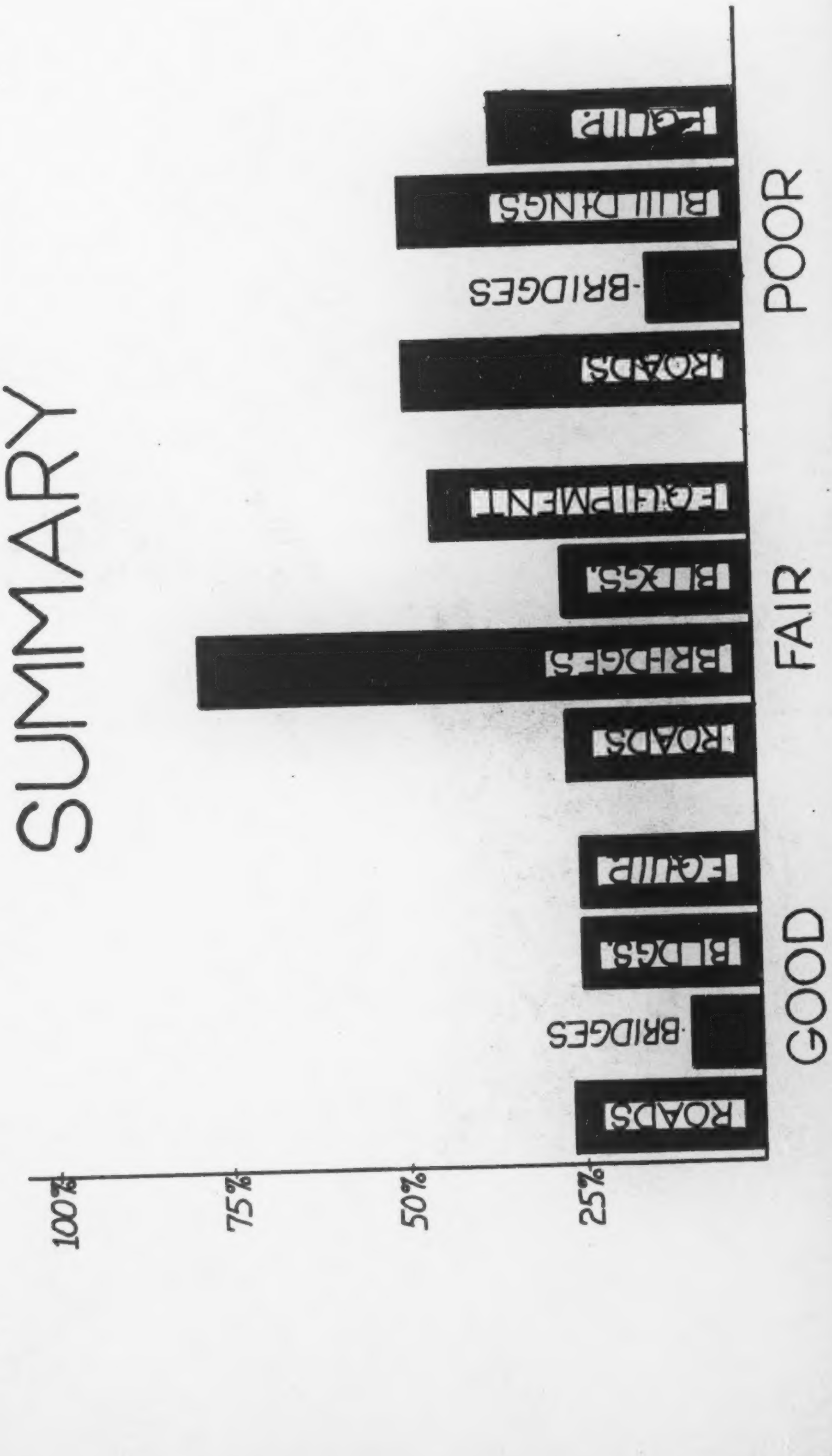
A survey of the equipment condition indicated the following:

Good	Fair	Poor
25%	45%	35%

- **Estimated Annual Replacement Cost** ***(Based on Service Life Ranging from 7 to 25 years)*** **$240,000.00**



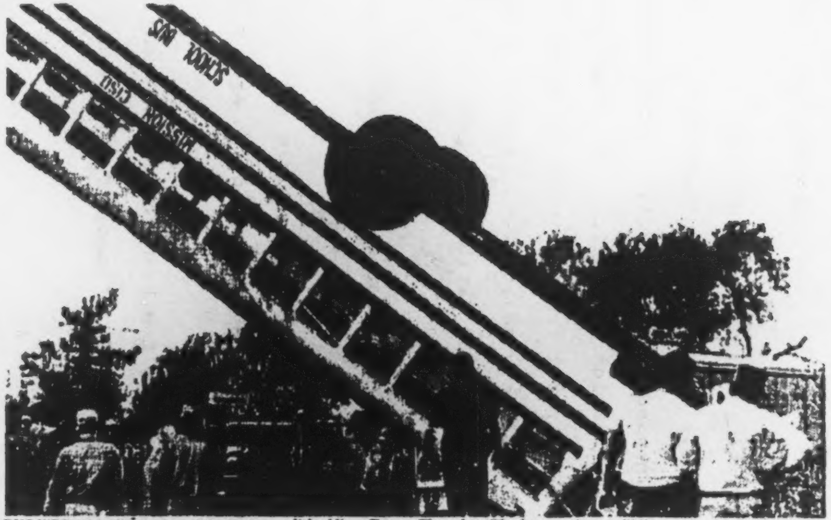



SUMMARY
100%
75%
50%
25%
ROADS
BRIDGES
BLDGS.
EQUIP.
ROADS
BRIDGES
BLDGS.
EQUIPMENT
ROADS
BRIDGES
BUILDINGS
EQUIP.
GOOD
FAIR
POOR

CONSEQUENCIES!!!

Friday, September 22, 1989 HERALD-STAR

School Bus Accident Stuns Town



BUS WRECKAGE. Workers lift a Mission, Texas, school bus from a gravel pit in Alton, Texas, Thursday. The bus plunged into the water-filled gravel pit after colliding with a delivery truck Thursday morning. (AP Laserphoto)

REMARKS BY RICHARD CURRAN TO THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

DECEMBER 7, 1990

Distinguished Chair & Members of the House Committee on Public Works and Transportation I am Richard Curran, Tennessee State Delegate to the Community Transportation Association of America. I manage a Section 18 and Title III-B rural transportation program serving the 12 counties immediately adjacent to Davidson County. I also served on the UMTA RTAP National Program Review Board.

I commend you for coming to Nashville.

Transportation is the straw that blends the mix and is the key to the development of an area's infrastructure.

Our Agency has been delivering some form of transit service to the rural citizens of North Central Middle Tennessee for over 15 years.

Our efforts have been made possible because . . .

In 1973, Section 147 of the Federal Highway Act opened the door for transportation in rural areas. This demonstration program revealed that, once you put vans and buses on rural roads, indeed people would ride them.

As a result, in 1978, Congress passed Section 18 of the Urban Mass Transportation Act which provided formula transportation grants for places other than urbanized areas.

At the time, Congress enacted Section 18 Program a new Dodge 15 passenger van cost less than a fully equipped 1991 Yugo--about $7,800.00. Gasoline cost about $.60 a gallon, and the daily newspaper cost $.20. The minimum wage was $2.60, while an individual's group medical insurance cost was around $35.00 per month.

In FY '79, the State of Tennessee Department of Transportation allocated $300,000 to rural transportation.

For FY '91, about $65 million has been allocated to Section 18. That is a decrease of 13.3% since FY '79.

For FY '91, the State of Tennessee Department of Transportation will spend $2.45 million for rural transportation, an increase of over 800% since FY '79.

Just in the last year, we have seen:

*Minimum wages increase from $3.35 per hour to $3.80 this year and $4.20 next year; and we support that, but without increased dollars, it will result in a reduction in rural trips. Every 12 hours of work at the new and higher minimum wage will cost us two rural trips.

*Americans with Disabilities Act--and we support that, but without increased dollars, it will result in a reduction in rural trips. Every new lift will cost us 600 rural trips.

*Drug testing--and we support that, but without increased dollars, it too will result in a reduction of rural trips. Every time we test a driver, dispatcher, mechanic, or any other person considered for any of those jobs, it will cost us 15 rural trips.

I repeat, in FY '79, the Federal Section 18 appropriation was $75 million. Today, Section 18 is funded at $65 million.

For us to acquire the same purchasing power in 1991 as we had in 1979, we would need about 150.9 million.

Rural Americans comprise 39% of the nation's population and they need your help to maintain their infrastructure:

*40% of the elderly live in the rural areas
*42% of the poor live in the rural areas

*43% of the people with disabilities live in the rural areas.

And they are becoming increasingly more isolated because their local infrastructure is deteriorating. Despite consisting of 39% of the population, the rural areas receive less than 4% of all federal public transit assistance dollars.

Federal transit funding equals about $1.00 for each rural resident, but exceeds $28.00 for their urban counterparts.

A rural citizen's need for transportation is just as great as is that of his urban neighbor.

We who serve the rural areas need your help.

The process of reauthorizing our federal transit legislation and programs not only gives us the opportunity to renew and restore federal investment in rural transit; it also gives us a chance to reassess our existing policies and respond to changes that have occurred in our transportation needs since the last reauthorization.

Thank you for your time and attention.

TENNESSEE RIVER VALLEY ASSOCIATION

December 7, 1990

STATEMENT OF TENNESSEE RIVER VALLEY ASSOCIATION AND THE TENNESSEE-CUMBERLAND WATERWAYS COUNCIL

Before House Committee on Public Works and Transportation, Nashville, Tennessee.

Committee Members:

We appreciate the opportunity of appearing before your committee today to address the issue of our region's infrastructure needs.

I am Jack Herbert, President of the Tennessee River Valley Association (also known as TRVA), of which the Tennessee-Cumberland Waterways Council (also known as TCWC), is a division. These organizations have over 200 members in the Tennessee-Cumberland River region. We promote the economic development of the region, the on-going maintenance and development of the Tennessee and Cumberland Rivers and their tributaries.

Between these two waterways, there are over 50 million tons of traffic moving, which are critical to the continuous commerce and industrial needs of communities in our region. We wish to emphasize the importance of our waterways to the economic vitality and needs of our region. And also, to the necessity of being sure that these important arteries of traffic receive needed attention, so they may keep pace with other modes of transportation and with other regions.

These waterways have been a major influence in bringing in new industry, such as Nissan, Saturn and other major industries receiving their raw mateials by water. The river system provides a major outlet for agriculutral commokities produced in the Middle Tennessee region.

Important studies are underway for rebuilding Kentucky Lock and the Upper Tennessee Locks and other important improvements needed, to keep our system functional and efficient.

We respectfully request that these infrastructure needs, along with the Interstate Highway needs, be given complete study and appropriate consideration of overall future needs of our region.

Our organizations would welcom the opportunity to assist in any way, in developing specific information to define the infrastructure needs of our Middle Tennessee area.

Thank you for your attention and for allowing us to appear at your hearing.

City Hall Tower P.O. Box 1745 Decatur, Alabama 35602 205/355-4660